

EIR

SPECIAL REPORT

George Bush and the 12333 serial murder ring

October 1996

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Executive Intelligence Review

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by the Editors of Executive Intelligence Review

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Contents

FOREWORD

v **George Bush and the 'Ibykus principle'**

by Lyndon LaRouche

CHAPTER 1

1 **New revelations tie Palme murder to Bush, Thatcher-linked arms cartel**

4 Bush-Thatcher 'zones of conflict'

6 Williamson's 'confession'

8 Ricci and Williamson on the GMR group

13 International coverage of the 'South Africa connection' Documentation

CHAPTER 2

17 **John Train: Wall Street's man in Bush's secret government**

18 John Train's British, Swedish financial ties

27 **Appendix:** The Train salon, in the legal record
Excerpts from a 2255 motion for a new trial by
attorneys for Lyndon LaRouche, William
Wertz, and Edward Spannaus.

30 The Goldsmiths and the new 'Murder, Inc.'

CHAPTER 3

32 **The Olof Palme assassination and coverup, revisited**

Case Studies:

38 The LaRouche case and the Palme
assassination

42 The Club of the Isles and the international
weapons cartel

43 The size of the 1980s illicit Third World arms
market

44 Schalck-Golodkowski and 'destructive
engagement'

45 EIR detailed 'explosives cartel' role in Palme
killing

CHAPTER 4

48 **The death toll rises**

49 The mysterious death of Uwe Barschel

51 Cools and Bull: two murders in Belgium

53 India's former prime minister, Rajiv Gandhi

56 Who killed Yitzhak Rabin?

56 The Jonathan Institute: neo-cons, British agents

59 The Ledeen and Temple Mount

60 The 'Temple Mount' patsy factory

61 The case of Cyrus Hashemi

63 George Perry and the Tabatabai bust

64 Some other strange deaths

CHAPTER 5

66 **'Paris Review' goes to Kabul**

67 The 'Arc of Crisis' in conflict and war

70 Major terrorist incidents since Clinton's
inauguration

CHRONOLOGY

71 **Bush-Thatcher 'secret government' operations: 1979-96**

86 **Bibliography**

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George Bush and the 'Ibykus principle'

Shakespeare's Hamlet said: "Murder, though it have no tongue, will speak."¹ History, at last, is delivering poetic justice to two among the most hateful world figures of the 1981-1992 interval: former British Prime Minister, Lady Margaret "MacBeth" Thatcher, and former U.S. Vice-President, and President, George Herbert Walker Bush. So, as in Friedrich Schiller's celebrated poem, "The Cranes of Ibykus," it is the international drug-traffickers, thieves, and murderers of bloody 1981-1992, who are now exposing themselves, and also their former masters Thatcher and Bush, to the long-overdue justice of "the Furies."² So, as in Schiller's poem, during recent weeks, growing numbers from among long-standing cronies of Thatcher's and Bush's orgy of world-wide drug-trafficking, weapons-trafficking, not-so-secret wars, and just plain murder, are pointing bloody fingers at one another, and, also, at their former masters. Let Thatcher, Bush, and their accomplices, now tremble: truth appears, and no more weapon than that truth itself, will render to the memories of these pirates, the dramatic justice of which William Shakespeare wrote.

During the several past weeks, governments in Europe, and elsewhere, are now trembling as by the warning shocks of a major political earthquake. Scandals hitting high levels of power in Sweden, Belgium, the Republic of South Africa, Syria, Israel, Spain, Switzerland, Germany, and, so, on and on, spring from the eyewitness reports. The memories of the

murdered victims are so evoked, all pointing in the direction of Thatcher, Bush, Kissinger, and their ilk. Each week, the press of western Europe is kept off-balance by a fresh flood of such reports, each batch expanding upon the shattering revelations of a few days before.³

This *EIR Special Report* provides a summary, and overview, of the most important facts and supplementary allegations afoot thus far. In part, we write as veteran investigators, but also as eyewitnesses of the often bloody carnage of those Thatcher-Bush years. From the offices of Washington's Old Executive Office Building, throughout the capitals of those nations where Thatcher, Bush, et al., ran their terrorism, and drug-running, through Central and South America, and in the Middle East, in Africa, and in Europe, we were among the leading representatives of the underdogs, the victims of this carnage, face-to-face, against Kissinger, Bush, Thatcher, the late Roy M. Cohn, and the pack of scoundrels whom they represented.

So, as in the case of the recent useful work of the *San Jose Mercury News*, we had an eyewitness's inside story on the Contra drug-running, approximately a decade and a half before the *Mercury News* newspaper broke its story. On many of the most important facts of that story, we, as veterans of that fight against drugs and murder, have an exclusive. For years, even powerful leading political figures of the Americas,

1. William Shakespeare, *Hamlet*, Act II, Scene II: Hamlet's closing soliloquy,

2. Friedrich Schiller's ballad, "Die Kraniche des Ibykus [Ibykus]." The poem treats an historical subject: the celebrated ancient Greek poet, Ibykus, on his way to Corinth, is murdered by two highwaymen. In Schiller's ballad, as Ibykus lies dying, he speaks to a pair of cranes flying overhead: "When no other voice shall speak, be the complaint of my murder raised." The murderers continue, to attend the festival, at which Ibykus was to have been featured. During the festival, the crowd hears a voice of one of the murderers crying "See there, Timotheus! The cranes of Ibykus!" The crowd looks up to see a flock of cranes is flying above the stadium. Amid the popular outcries attending the murderer's outburst, the dreaded "Furies" (*Eumenides*) appear; so, the culprits are brought to judgement by their own guilt-ridden outbursts. "Murder, though it have no tongue, will speak . . ."

3. The flood of press coverage on the revelations about the Palme assassination is included in a grid with Chapter 1. Running a close second in terms of explosiveness is the pedophile scandal in Belgium, which broke into the news on Aug. 17, 1996, with the rescue of two young girls who were being held captive by pedophile Marc Dutroux. A series of arrests have followed, not only in that scandal, but also in the unsolved 1991 murder of senior Belgian politician André Cools, who was an executive of a leading British arms company. The investigation of the pedophile ring, and attempts at covering up its penetration into high-level political circles, has led to a popular uproar, including mass demonstrations and work stoppages in cities throughout the country during the week of Oct. 14, detonated by the dismissal of the chief investigators into the pedophile case. The uproar over the Belgian pedophile case has generated high passions, and some work stoppages, in neighboring areas of Holland and France, and has by no means peaked. A demonstration of hundreds of thousands is expected in Brussels on Oct. 20.



History, at last, is delivering poetic justice to two among the most hateful world figures of the 1981-1992 interval, former President George Herbert Walker Bush and former British Prime Minister, Lady Margaret "MacBeth" Thatcher.

Africa, Europe, and Asia, shuddered in fear of Thatcher and Bush, at the mere mention of the facts we knew first-hand. Now, however, just as the *Mercury News's* well-documented treatment of the Contras' cocaine-pushing, added a small, but politically crucial piece to the evidence already in our possession, so the tattle-tales of the Thatcher-Bush Iran-Contra murder-ring, provide us, now, the added leverage to report our insider's knowledge of the continuing, world-wide operations of our aging old adversaries, Kissinger, Thatcher, and Bush.

The question is: What are you, the reader, going to do about it? Here, in two successive *EIR Special Reports*,⁴ you now have, as if served on a platter, two connected revelations of the criminality of George "mad dog" Bush, and his cronies, during the 1981-1992 interval. Although out of public office, Bush is still a powerful international, and national figure behind the scenes, one of the vilest, meanest, and most corrupt figures in any part of today's world. Your freedom, and that of our nation, hangs upon our ability to purge our institutions of the evil, bootleg, unconstitutional power, represented by the secret government created for George Bush, beginning 1981, under the title of Executive Order 12333.

There are two ways to lose a war, and your freedom. One

4. The first report is, *Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?* (Washington, D.C.: *EIR Special Report*, September 1996).

is to be defeated in war; another, is simply not to fight it. These presently ongoing, fresh exposures of Thatcher and Bush, are like a Heaven-sent gift. These facts present an opportunity for our government, our citizens, to free themselves from continued bloody abuses, by secret, armed government, operating from within the precincts of our military's Joint Chiefs of Staff.⁵ Sometimes, true facts are the most effective of the weapons by means of which an entire people may regain its lost freedom. This—right now—is such a time.

George 'Kid Twist' Bush

What tends to cause many people to defeat themselves before the battle starts, in facing tyrants, is the widespread, popular delusion, that the tyrant is either too powerful, or simply too popular, to be engaged. Popular opinion, in its habituated credulity about such matters, fails to grasp the fact, that, often, the tyrant is, at bottom, a stage figure.⁶ Consider

5. The channel within government for the armed operations of the Contra operations, for example, were not run through CIA channels, but under the Joint Chiefs of Staff, under the cover of the logistics (support) section of JCOS Special Operations. Vice-President Bush's control over this section of the U.S. military command, was exerted under U.S. National Security Decision Directives numbers 2 and 3. See, *Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?*; pp. 14-31.

6. Unlike Soviet General Secretary Josef Stalin, who was an actual tyrant, in his own right.

four examples of such stage figures: **Sir George Jeffreys** of King James II's "Bloody Assizes"; **Adolf Hitler**; **Margaret Thatcher**; and, outgoing Massachusetts Governor William Weld's long-standing political ally, **George Herbert Walker Bush**.⁷

The most delicious summary of the career of Jeffreys, is to be found in Thomas Babington Macaulay's celebrated prose, *The History of England*. Macaulay introduces Jeffreys, as a foul-mouthed rogue of a judge, in a court for cases of prostitution and petty thievery. Later, Macaulay's Jeffreys is elevated to the peerage, not for reason of any virtue in him, but, rather the political suitability of his scholarly, judicial, and moral deficiencies.⁸ He became the foul-mouthed, scantily literate wretch, Lord Jeffreys of the "Bloody Assizes." In the end of his account of Jeffreys, Macaulay presents his subject fleeing the pages of history, attired in no more than his night-shirt, just beyond the reach of a pursuing host of outraged English subjects. Jeffreys was one of the most justly hated men in the annals of English injustice, but, within himself, nothing more than just one more contemptible, talent-free punk.

Adolf Hitler, as a person, presents us an essentially analogous social type. The actual Hitler was the work of some horrid "Pygmaliions" from the Liszt-Wagner circle of the British aristocrat Houston Stewart Chamberlain. Hitler was a selected and groomed political "Trilby," put on stage by his sponsors, to play the vulgar sort of tragic role which even persons of such vulgarity as Lord Palmerston's Bakunin and his fellow bomb-thrower, Richard Wagner,⁹ might be capable of conceiving: a stage-figure by means of whose leading role, a Germany, and much of Europe besides, might be destroyed.

7. George Bush is a member of the same Walker family, on his mother's side [Cf. Webster G. Tarpley and Anton Chaitkin, *George Bush: The Unauthorized Biography* (Washington, D.C.: EIR News Service, 1992)], as Governor Weld's former associates of the Walker clan, in his family firm of White Weld. It was one of those White-Weld associates of the Walkers, Weld's cousin, Ogden White, Jr., for whom William Weld, as Boston U.S. Attorney, covered, in cutting a deal which ended the biggest money-laundering case in U.S. criminal history, that of the Bank of Boston. During the same time Weld was blocking criminal charges against his money-laundering cronies, he was launching criminal prosecution, in Bush's interest, against such key Bush opponents as this writer and his friends. Weld, as head of the Justice Department's Criminal Division, ran the point for obstruction of justice in the investigation of the Iran-Contra operations back during 1986-1987. The Bush White House, in turn, ran a 1990 dirty-tricks operation against the Massachusetts Democratic Party, to assist in securing Weld's election as governor of the Commonwealth of Massachusetts. The nepotisms of the Bush-Weld family connections are intimate, important, disgusting, and often very, very dirty.

8. Like Bush-linked former Chief Judge Albert V. Bryan of the Alexandria Federal Court for the Eastern District of Virginia.

9. The famous Russian anarchist and Richard Wagner were assets of Lord Palmerston's British intelligence operation, Giuseppe Mazzini's "Young Europe," in the revolutions of 1848-1849. Both were, without exaggeration, bomb-throwers, during that period. Then, and later, Bakunin and Wagner shared the same views on music, and art in general.

Excepting the manner of their leaving political office, a modern Plutarch would find relevant parallels between the stage-roles performed by Hitler and Prime Minister Margaret Thatcher, the latter fairly described as a "Trilby" with a most unmelodic voice. She was created to serve as a Tory parody of Winston Churchill's English Nemesis, Labour's memorable Bessie Braddock: a political figure of a type easily recognized by the British voter, a mean British nanny who will assuredly pinch the children cruelly when the parents are not watching. She was as shallow-minded as a Hollywood sex-goddess off-screen, and just as nasty, and, according to some recent accounts, with a certain nepotic touch of venality. Her point of kinship to Jeffreys, and Hitler, is, that she was prepared for, and placed in her position in government, to be used to the advantage of that Venetian type of financier-oligarchical interests which placed her there.¹⁰

A modern Plutarch must admit, that George Bush differs from Jeffreys, Hitler, and Thatcher, in one notable feature. The first three were the picaresque offspring of a richly deserved obscurity. George Bush is, in combined social and intellectual standing, the trusted runt of an *American patrician* litter. The difference does George no credit, but it has functional significance, nonetheless.

Perennially petulant George has done much evil, but he is no "Evil Genius." Intellectually and morally, he is fairly regarded as "Forrest Gump's Evil Twin." His significance is that his father, the former Senator, and Dwight Eisenhower golf-partner, Prescott Bush, was adopted by one of the most politically powerful financier-oligarchical families in the U.S.A., that of fellow-Bonesman Averell Harriman. Averell's position, in turn, was that of being a son of the E.H. Harriman who rose to fame and power during the 1890s, representing the Union Pacific railroad interest of Britain's Prince of Wales Albert Edward (later King Edward VII). Harriman also became the business agent for the Russell Trust, the formerly opium-trading, financier-oligarchical interest, behind Yale's gloomy Skull and Bones cult.¹¹

As Tarpley and Chaitkin document, George never could "cut the mustard" on his own. Without the backing of his Uncle Herbie (Walker), his mother's brother, George could not have made it in business. His two 1960s terms in Congress were fixed elections, arranged by the family. Otherwise he could never find an elected or appointed position in government, until 1992, that was not fixed for him, either by his family circle, or by Henry A. Kissinger.¹² His career shows but one talent which might be deemed useful by his backers: he is a mean, but loyal dog of the "patrician" equivalent of an "organized-crime family." Personally, he is a fiercely neurotic, bi-polar Uriah Heep, whining petulantly in public, but

10. Around the fascistic Mont Pelerin Society.

11. Tarpley and Chaitkin, op. cit.

12. op. cit.

privately brimming with the hateful grudges of a *Three-Penny Opera* "Jenny." In the service of his "family," he has been their nasty, biting dog, who exhibits a sadistic delight in doing harm, but who dutifully delivers the message which that "family" places in his mouth.

A Plutarch might, like Webster Tarpley, regard George as a modern Caligula.¹³ An historian of organized crime, might find a likeness to "Bugsy" Siegel's Murder, Incorporated hireling, Abe "Kid Twist" Reles.¹⁴ A more appropriate note of caution, to those who would assess the four cases referenced, or similar ones: One must not overlook the fact, that even the deadliest poisonous snakes, or pandemic diseases, are not distinguished by the intellectual achievements of their species.

The practical issue

Throughout history, the noblest political passion has been the desire to establish a form of government consistent with the needs of the individual person as a creature "made in the image of God." Until the first qualified success, during Louis XI's A.D. 1461-1483 reign in France, no nation-states existed; until then, more than ninety-five percent of the populations of all branches of culture, lived as slaves, serfs, or worse. It was in the wake of the 1439-1441 Council of Florence, that France could emerge as the first nation-state, the first state in which Europeans were citizens of the state, rather than chattels of an imperial order modelled upon the wicked traditions Babylon, Rome, and Byzantium.¹⁵

It was the intent of a great struggle by the founders of this Federal constitutional republic, that this nation might be perfectly sovereign, subject to no authority external to the moral law reflected in the Preamble of our Federal Constitution. Subject to the constraints of that moral law, it is the interest of the citizenry, as that Preamble expresses this, both explicitly and implicitly, which is the only interest to which our government may submit itself.

What is the point? What is the connection to the Bush

13. *ibid.*

14. Despite New York prosecutor Tom Dewey's actions to Lansky's advantage (the "Lepke" Buchalter conviction), the truth about Meyer Lansky's and "Bugsy" Siegel's direction of Murder, Incorporated, came to light as a by-product of a police raid on Siegel's California premises. The evidence collected pointed to Siegel's and Lansky's close connections to "Kid Cann" in Minnesota, and to crucial, relevant elements of "Kid Twist's" background.

15. A scholar who might wish to challenge the argument which this writer has developed in sundry published locations, would wish to compare that thesis with the work of one of the 20th Century's most distinguished legal scholars: Professor Friedrich (Freiherr) von der Heydte, *Die Geburtsstunde des souveränen Staates* (Regensburg, Germany: Druck und Verlag Josef Habel, 1952). The same type of evidence referenced by von der Heydte appears within China's ancient imperial form of state and property-relations.

case? The point of connection is this.

Under such rubrics as "What is good for Wall Street, is good for the United States," or, worse, George Bush's flimsy pretext, both as Vice-President and President, "We must do nothing to violate our 'special relationship' with Britain," we have tolerated the emergence of "secret governments." These "secret governments," notably that administered by Vice-President Bush, have conducted the hidden foreign and domestic policies of that special interest, behind the back, and without the explicit knowledge or consent of the constitutional institutions of our rightful government. These secret government arrangements include such instances as that channel of the Joint Chiefs of Staff through which Vice-President George Bush facilitated the secret and unlawful subterfuges of his Contra operations, his international weapons-trafficking operations, his drug-running into the United States itself.

These covert operations are not operated by "some people"; they are run according to what a powerful financier oligarchy perceives to be its very special, self-interested policy. Like monarchs and oligarchies of old and foreign places, this financier-dominated circle which deploys Bush, confuses the name of the U.S. interest with its own interest, and delimits its perception of "patriotism" to that which is dutiful to the perceived self-interest of the ruling oligarchy.

We, the citizens, must regain control of our constitutional institutions of Federal government. We do not want an anarchic democracy, under the irrational caprices of a transient majority opinion; we, like Socrates' Athens, are already suffering far too much of government subverted, in the perverted name of "democracy," by the transient whims of men. We require government under law, as the Preamble of our Federal Constitution commands government implicitly, to protect the rights of the minority opinion against the overreaching arrogance of the passing whims of an accidental majority.

We must not destroy our Federal government, as lunatic libertarians and similar anarchists propose. We must take back our Federal government, by acting in exemplary fashion now, to bring back a government under constitutional law. We shall never accomplish that, until we bring to the bar of justice: George Bush, his cronies, and his "secret government" established under Executive Order 12333. Unless we act so, to defend our Constitution, none of us alive today shall ever again enjoy the means to defend ourselves against the homicidal tyranny of those who follow in the footsteps of Vice-President and President George Herbert Walker Bush.

Lyndon H. LaRouche, Jr.
Leesburg, Virginia
October 15, 1996

New revelations tie Palme murder to Bush, Thatcher-linked arms cartel

On Feb. 28, 1986, Sweden's Prime Minister Olof Palme was assassinated on the streets of Stockholm, as he and his wife were walking home from a movie. Palme's wife was also shot in the attack, but survived. The assassin, or assassins, escaped, despite the fact that the prime minister's security detail was in the area, when the attack took place.

More than ten years have passed since the Palme murder, and, up until September 1996, Swedish authorities had failed to catch the assassins, or even name the responsible agencies. From the very outset, an ambitious international disinformation campaign was carried out, involving such "strange bed-fellows" as the Soviet KGB, the East German State Security Service ("Stasi"), the Anti-Defamation League of B'nai B'rith (ADL), and NBC-TV, to deter honest Swedish investigators from pursuing promising trails of evidence. Instead, the ADL, the Stasi, et al., colluded to fabricate "proof" that the assassin was associated with Swedish colleagues of American political economist, three-time Democratic Party pre-Presidential candidate, and *EIR* Founding Editor Lyndon H. LaRouche, Jr. By the time the bogus "LaRouche killed Palme" tale was discredited, the trail of the real assassins had turned colder than a Swedish winter.

The Palme assassination was not an isolated incident. As you will learn below, since 1984, a large number of public figures, including French general René Audran, German state governor Uwe Barschel, Indian Prime Minister Rajiv Gandhi, Israeli intelligence agent Amiram Nir, Canadian weapons manufacturer Gerald Bull, and Belgian government minister André Cools, all died sudden and violent deaths.

At the time of their death, each of these men was in possession of sensitive information about the activities of an international weapons and munitions cartel, operating on both sides of the East-West Cold War divide. During the 1980s, this cartel was engaged in an arms business involving many hundreds of billions of dollars a year, fueled by the Iran-Iraq War (1980-88), the Afghanistan War (1979-89), and the East-West surrogate wars in Angola, Namibia, Mozambique, El Salvador, and Nicaragua. In many instances, the clandestine shipments of weapons were linked to other underground commodities, especially illegal drugs. In the cases of the Nicaraguan Contras and the Afghans mujahideen, it has been widely documented that illegal sales of cocaine and heroin, by the U.S.- and British

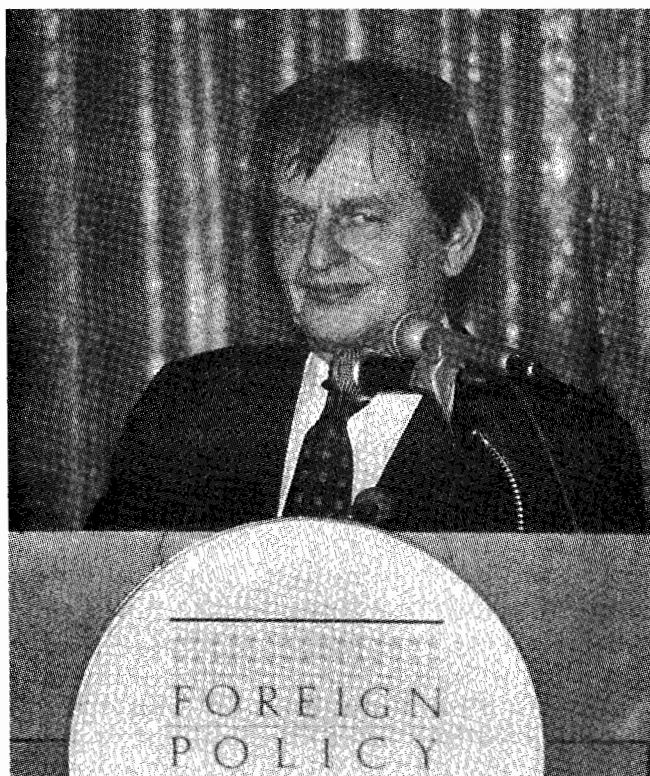
government-backed "freedom fighters," generated much of the money used to purchase weapons and other matériel. In Africa, a lucrative trade in black market ivory, diamonds, and rhinoceros tusks served the same function as the illegal drug trade in Central America and Afghanistan. It generated millions of dollars in illegal funds to finance the purchase of weapons—to keep the regional conflicts going.

The 'asteroids'

To protect the interests, and carry out the clandestine activities of this transnational apparatus, a global network of hired killers and soldiers of fortune was assembled, under a variety of private, commercial covers. This latter-day "Murder, Inc." represented both a direct continuity from, and an expansion of, the 1960s and 1970s British intelligence front-company Permindex, that was implicated in the assassination of President John F. Kennedy, in the murder of Italian oil industry figure Enrico Mattei, and that tried, unsuccessfully, to assassinate French President Charles de Gaulle. That 1960s-era worldwide "Murder, Inc." was based, at various points, in Montreal, Rome, and Johannesburg.

The vast 1980s "private enterprise," like its Permindex antecedent, was sponsored, protected, and deployed by elements of the U.S., British, and French governments, among others. U.S. Vice President George Bush, the director of all Reagan administration "special situations"—i.e., covert operations—was a pivotal figure in all of these 1980s activities. However, the British, especially during the years when Margaret Thatcher was prime minister (1979-90), played a far more dominant, albeit low-key role, in many of these dirty operations—particularly in Africa and Central Asia, where Great Britain has a long history of colonial rule, and maintains vast networks of intelligence assets, often headed by "retired" British Special Air Services (SAS) officers.

The legacy of these 1980s activities today is an even bigger worldwide network of mercenaries, illegal arms dealers, drug traffickers, money launderers, terrorists, and private spies. Collectively, they are referred to among intelligence specialists today as "the asteroids." They operate increasingly outside the purview of governments, and are involved in smuggling, terrorism, and political destabilizations worldwide.



Swedish Prime Minister Olof Palme, at the Foreign Policy Association in New York City, Dec. 4, 1984. Solving the Palme assassination will unravel the global crime syndicate that spread drugs and illegal weapons all over the globe during the Bush-Thatcher era.

Further, since the end of the Cold War and the collapse of the Soviet Union, a large, and growing number, of former Soviet intelligence operators have been integrated into this asteroid apparatus. It is impossible to understand the apparent "overnight" emergence of a powerful, worldwide "Russian Mafia," over the past five years, without factoring in the role of former KGB and GRU (Soviet Military Intelligence) personnel within the asteroids; and without recognizing the antecedents of this new East-West criminal "partnership," in the Cold War era arms- and drug-trafficking collusion between the intelligence services of the two rival power blocs. This Cold War arrangement, among corrupted intelligence assets, East and West, might be termed the policy of "destructive engagement."

The Palme case offers a critical window into this global asteroid phenomenon, and underscores the role of the Thatcher and Bush circles, in creating the policy framework for the proliferation of these modern-day pirates and dragons.

New Palme murder revelations

Dramatic new evidence about who killed Olof Palme, and why, has surfaced since late September 1996. It began in

a South African courtroom, where a former South African security officer was on trial for a series of apartheid-era assassinations. Col. Eugene de Kock, who headed a covert "death squad" unit of the South African paramilitary police, called C-10, had already been convicted, following a 19-month trial, of the murders of four anti-apartheid activists. He was originally indicted on 89 counts of murder, conspiracy, and fraud. During his sentencing hearing, on Sept. 26, 1996, de Kock calmly revealed to the court that a well-known South African spy-turned-National Party politician, Craig Williamson, had been responsible for the assassination of Olof Palme.

Several days later, another former head of the same C-10 unit, Brig. Johan "Dirk" Coutzee, who had been Williamson's boss inside the South African paramilitary police for years, issued a public statement, corroborating de Kock's charges against Williamson. In addition, he named another former South African intelligence operator, James Anthony "Ant" White, a former Rhodesian Selous Scout, as the actual killer of Palme.

Next, a third associate of Coutzee and Williamson, Peter Casselton, came forward with additional details about the Palme hit. He identified "one individual living in Turkey" as another important player in the murder. The man was soon identified as Bertil Wedin, a Swedish national and one-time United Nations soldier, widely known in extreme right-wing circles in Scandinavia. Wedin is living in the Turkish sector of Cyprus. He had lived for several years in London, where he was on the payroll of South African intelligence. Wedin had also functioned as an informant for SÄPO, the Swedish national police agency, which was in charge of the Palme assassination probe.

In recent years, Wedin has been associated with a Swedish magazine, *Contra*, which has been a channel of contact among "asteroid" networks in North America and Europe. *Contra*, for example, has featured writings of Dr. Jack Wheeler, a leading player in the 1980s "Reagan Doctrine" of surrogate warfare throughout the Third World. Wheeler today is part of a London-based and British Intelligence-linked outfit, *Strategic Investment*, that has been involved in the British propaganda campaign against the U.S. Presidency, ever since Bill Clinton replaced George Bush in the White House in January 1993.

Mounting evidence

Despite the fact that Williamson, White, and Wedin have all publicly denied that they were involved in the Palme murder, in the weeks since the initial de Kock courtroom revelations, a great deal of evidence implicating the three men in the crime, has come to light. Williamson has been arrested by Angolan authorities, and remains behind bars, as of this writing; and Swedish prosecutors have been dispatched to Johannesburg, South Africa, to pursue all of the leads that have bubbled to the surface since Sept. 26, 1996.

Within days of the de Kock statements and the other new

Nuremberg in South Africa

SOUTH AFRICA, From CI

South African regime's top hit man, police chief Eugene de Kock, is following the case of a former underground operative, Craig Williamson, who became the architect of the assassination of the Swedish Prime Minister Olof Palme during the Nuremberg trial.



Eugene de Kock and a team of police officers are looking at and reviewing a photograph of the late Swedish Prime Minister Olof Palme.

Nuremberg in South Africa

A Bland Hit Man Details Apartheid's Secret War

By Eugene de Kock

THE HUNGARIAN SPY is a hit man who dropped his bomb on the streets of Nuremberg. In the closing stages of a trial that has lasted 10 months, the hit man's role in the assassination of the Swedish Prime Minister Olof Palme is being revealed. The hit man's role in the assassination of the Swedish Prime Minister Olof Palme is being revealed.

It was Eugene de Kock, the hit man, who was responsible for the assassination of the Swedish Prime Minister Olof Palme. The hit man's role in the assassination of the Swedish Prime Minister Olof Palme is being revealed.

New Tales of Old Killing Stir Intrigue in S. Africa

Links to Slaying of Sweden's Prime Probed

By Eugene de Kock

JOHANNESBURG, Oct. 26—A new decade-old scandal is being opened in the South African capital as the government probes the role of a hit man in the assassination of the Swedish Prime Minister Olof Palme. The hit man's role in the assassination of the Swedish Prime Minister Olof Palme is being revealed.

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AFRICA CONFIDENTIAL

Vol 28 No 4

15 April 1987

CONTENTS

SOUTH AFRICA: THE NETWORK OF A MASTER SPY

CHAD: THE CONSEQUENCES OF VICTORY

MOZAMBIQUE: ECONOMIC OUTLOOK

SOVIET UNION: AFRICAN AFFAIRS

FOUNTERS: NIGERIA, UGANDA, MOZAMBIQUE, MADAGASCAR, ZAMBIA, SUDAN

South Africa: The network of a master spy

EL MUNDO

INFORME ESPECIAL

La conexión sudafricana en el asesinato de Olof Palme

LA TELARAÑA DEL DELITO

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

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COMPLETO INTERIOR

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COMPLETO INTERIOR

LA VIDA PRIVADA

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LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

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Vol 28 No 4

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LA VIDA PRIVADA

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LA VICTIMA

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LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

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COMPLETO INTERIOR

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LA ULTIMA HUELLA

LA VICTIMA

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LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

LA VICTIMA

LA PISTA KURDA

COMPLETO INTERIOR

LA VIDA PRIVADA

LA ULTIMA HUELLA

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COMPLETO INTERIOR

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LA PISTA KURDA

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dor)—all at an enormous profit to the Club of the Isles.

Even a cursory review of the public files on Williamson and White establishes their links to this London-Washington apparatus, which also was engaged in a sophisticated, Hobbesian alliance with certain factions within the Soviet bloc regimes and secret police agencies.

Craig Williamson

According to published accounts, including an interview with Williamson in the April 19, 1995 London *Observer*, Craig Williamson was recruited in the early 1970s, while a university student, as a spy for the South African security police, and was assigned to infiltrate radical student organizations, especially groups involved in the anti-apartheid struggle. By the late 1970s, Williamson had maneuvered himself into a leadership position in the International University Exchange Fund headquartered in Geneva, a group that specialized in conduiting money to the African National Congress (ANC). Among the other directors of the IUEF, while Williamson was infiltrating the fund, were Swedes Bernt Carlsson and Gunnar Eriksson, both close collaborators of Swedish Social Democratic Party leader, and frequent prime minister, Olof Palme.

In January 1980, Williamson returned to South Africa, along with his security branch boss, Brig. Johan Coutzee. Coutzee would eventually become the national police chief of South Africa. In 1989, he defected to the ANC, and began to spill the beans on some of the most egregious apartheid-era crimes of the National Party. Because of his early break with the National Party, Coutzee is considered to be a very credible source of eyewitness information about the dirty war in southern Africa.

Williamson remained in the security branch as an officer until 1985, when he retired with the rank of major. He immediately joined the South African military intelligence service, and was promoted to the rank of colonel.

While he was still with the security branch, Williamson, by his own admission, participated in a series of terrorist attacks and assassinations, targetted against leading figures in the ANC. Among the crimes to which Williamson confessed were the 1982 assassination of anti-apartheid activist Ruth First, in Maputo, Mozambique; the bombing of the London headquarters of the ANC the same year; and the Lubango, Angola mail-bomb killings of Jeanette Schoon and her six-year-old daughter, Katryn, in 1984. The actual target of the 1984 mail-bomb attack was Marius Schoon, another prominent anti-apartheid activist.

When Williamson switched over to South African military intelligence in 1985, he operated under the cover of several "private" companies, including GMR, an international trading company, founded by Giovanni Mario Ricci (a shadowy figure with whom we will deal later) and an outfit called Longreach. According to South African government sources, Longreach shared offices in Johannesburg with GMR, but

also maintained offices on the Isle of Wight, off the coast of England. These sources report that the British government reached a *modus vivendi* with Longreach, which was known to be a front for South African intelligence. It was all right for

Key to Map 1

During the Bush-Thatcher era, which began in 1979 with the election of Margaret Thatcher as British prime minister, and continued through 1993, when George Bush left office as President of the United States, there was a succession of regional wars and conflicts, all reflecting British geopolitical machinations, aimed at spreading an "arc of crisis" across the southern tier of Eurasia and Africa, and stretching into the Western Hemisphere. Each of these conflicts was fueled by the international arms and munitions cartels, with their global apparatus of arms smugglers, black marketeers, money launderers, drug-runners, and mercenaries. The most prominent of these "zones of conflict" include:

1. Central America: The George Bush-led Nicaraguan Contra program (1981-88), and the parallel conflict in El Salvador, engulfed all of Central America in the war. Honduras, Costa Rica, Guatemala, Panama, and El Salvador all served as staging areas, resupply depots, and training grounds for the Contras; as a byproduct of the war, the region became a major narcotics hub, with some of the Contra resupply bases simultaneously serving as refueling stops and transshipment points for the Colombian drug cartels, which flooded the United States with cocaine during the 1980s.

2. Panama: In December 1989, George Bush ordered a full-scale military invasion of Panama, ostensibly to arrest Gen. Manuel Noriega on narcotics trafficking charges, in which thousands of Panamanians were killed. As a result of the invasion, the Bush administration installed the Cali Cartel of Colombia, in power in Panama, and the country became a major narcotics transshipment point and money-laundering center.

3. Malvinas War: From April to June 1982, the British government carried out a colonial war of aggression against Argentina, to retake control of the Malvinas Islands in the South Atlantic. With backing from the Bush apparatus in Washington, the British used the Malvinas conflict: a) to silence all opposition to International Monetary Fund policies, b) as a precedent for subsequent NATO "out-of-area" deployments, and c) to begin the institutional down-sizing and dismantling of armed forces across the continent, in order to establish supranational military control.

4. Angola: Beginning in the late 1970s, Angola was

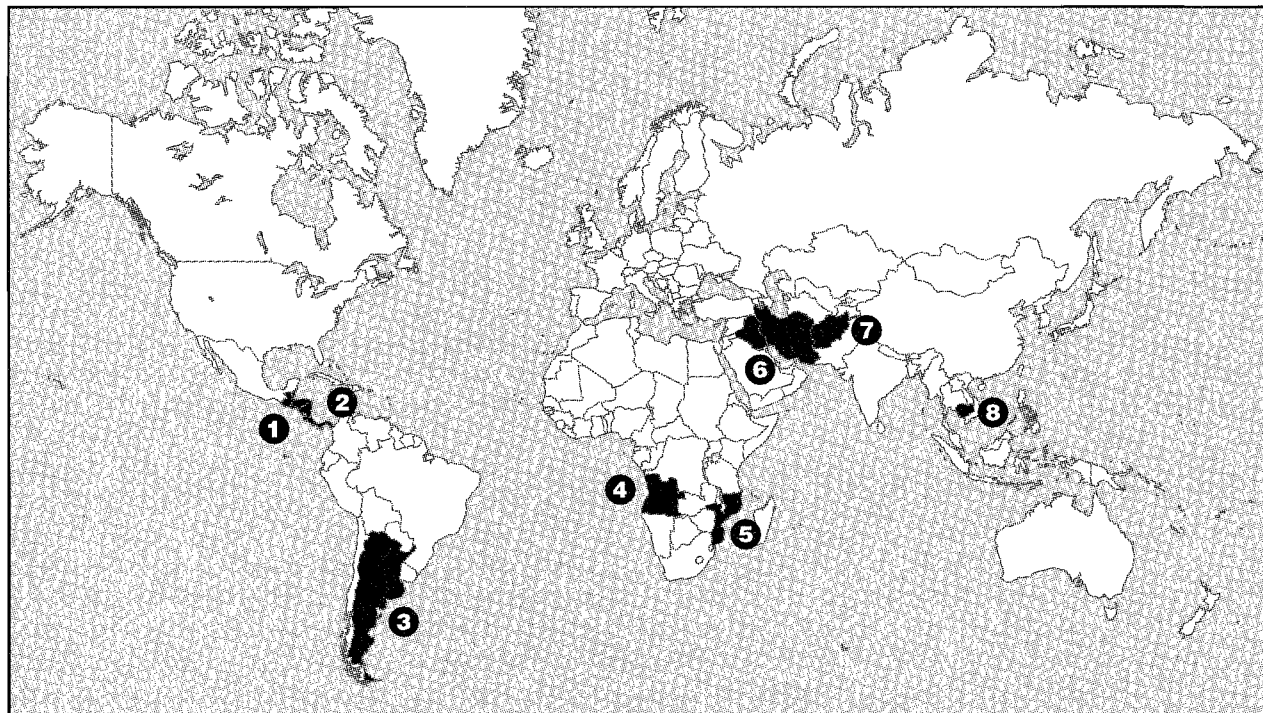
Longreach operatives to stalk ANC leaders inside Britain—as they did for years; but, it was not acceptable for Longreach to officially operate “on shore,” with an office in London. As we shall see, Williamson’s ties to British intelligence, and

to senior figures in the City of London financial oligarchy, deepened over time.

During 1985-87, according to De Wet Potgieter, the Pretoria bureau chief for the South African *Sunday Times* who

MAP 1

Bush-Thatcher ‘zones of conflict’



engulfed in a surrogate war between the Soviet Union, China, and the West. The war lasted into the early 1990s. South Africa was one of the important weapons transshipment points, and guerrilla training centers, for the Western-backed UNITA forces, led by Dr. Jonas Savimbi.

5. Mozambique: Another surrogate East-West war consumed Mozambique throughout the 1980s, involving ostensibly pro-Western Renamo forces, and a “Marxist” Frelimo government. Here again, South Africa served as a crucial arms transshipment point.

6. Iran, Iraq: Iran and Iraq fought a nine-year war during 1980-88, in which both sides purchased vast quantities of military hardware from the international arms and munitions cartels, both East and West. Soon after the war ended, the Thatcher-Bush combination launched a destabilization of Iraq, which culminated in the 1991 “second” Persian Gulf War.

7. Afghanistan: During 1979-89, following the So-

viet Red Army invasion and takeover in Kabul, the British, American, and Israeli governments, with backing from Saudi Arabia and other Persian Gulf states, recruited, trained, and armed an Afghansi mujahideen army, that eventually drove the Soviets out of the country. Like the Central America conflict, the Afghanistan War was heavily bankrolled with proceeds from the illegal narcotics and weapons trade. During the war, Afghanistan became the world’s second largest opium-growing region, and many of the top mujahideen leaders became “opium lords.”

8. Cambodia: During the 1979-88 war, there is evidence that smuggling of weapons to the Khmer Rouge was carried out through the Thai Army and Bofors-Singapore, under the auspices of the “Iran-Contra” operations of the United States. At the end of the war, evidence also emerged, put forward by John Pilger of the London *Guardian*, that the British SAS had been involved in training the recalcitrant Khmer Rouge, keeping the war alive.

has written a book cataloguing the South African underworld, Longreach employed Anthony White as a director. Official statements by GMR claim that the firm's South African branch was not formally started until sometime in 1986, but other published accounts, backed by sources in South Africa, place the actual start-up date, and the point at which Williamson, White, and Ricci were in collusion, at some time during 1985, at the latest. So, according to these sources, during the 24-month period preceding and following the Palme assassination, White, Williamson, and Ricci were all involved, together, in Longreach.

Longreach's executive director at this time was Michael Irwin, a "former" high-ranking officer in the British Royal Marines. According to the Swedish daily *Aftonbladet*, Irwin functioned as a liaison between British and South African intelligence, via Longreach, to coordinate such activities as the surveillance of anti-apartheid activists, and the breaking

of the United Nations embargo against South Africa, through an elaborate smuggling apparatus. The *Aftonbladet* information is consistent with a report from a South African government official, that Longreach was simultaneously operating out of the Isle of Wight.

It is here that the role of Giovanni Mario Ricci takes on special significance, and reveals links among Williamson, White, and a European-based criminal infrastructure that figured prominently in some of the most notorious of the Bush-Thatcher "secret parallel government" activities of the 1980s.

Ricci, an Italian national, with close ties to the Propaganda Two (P-2) Italian freemasonic lodge, set up shop on the Seychelles Islands during the mid-1970s. When the island's were taken over by a "Marxist" regime, under President-for-life Albert René, Ricci became the power behind the throne, and rapidly helped transform the Seychelles into a world-class offshore money-laundering center and tax haven. Ricci's own

Williamson's 'confession'

On April 19, 1995, Craig Williamson, in an interview with the London *Observer*, detailed his role, and that of a special unit of the South African paramilitary police, in a number of terrorist attacks against the African National Congress (ANC), during the 1980s. Williamson's "confession" came one day before the start of the trial of Eugene de Kock, his boss, and collaborator in at least one of the terrorist atrocities. Williamson had already testified, in late 1994, before the South African Truth Commission, an official body established by President Nelson Mandela to probe the crimes of the apartheid era, in the hopes of being granted amnesty for his role in these terrorist acts. According to the news story, by Phillip Van Niekerk, the *Observer* learned of Williamson's testimony before the Truth Commission and, on that basis, obtained the interview.

In the interview, Williamson named six other South African Special Branch officers who participated with him, in the March 1982 bombing of the ANC headquarters in London. The bomb, Williamson stated, was assembled at the South African embassy in London, from components that had been smuggled into the country. According to the *Observer*, "Williamson was second-in-command of the London bombing operation. His commander was Col. Piet Goosen, who had achieved his own notoriety as the man in charge of the interrogation of the black activist Steve Biko when he was beaten to death in detention in 1977. Also on the team was Eugene de Kock, whose trial on 126 charges of murder, fraud, and arms smuggling—prompted by the Goldstone report into the causes behind the violence

in black communities—is to start in Pretoria tomorrow. . . . Williamson also publicly disclosed for the first time his role in two other infamous bombings of the apartheid era: the murders of the academic Ruth First and of ANC member Jeanette Schoon and her six-year-old daughter Katryn, who were blown up by parcel bombs assembled by Williamson's unit at police headquarters in Pretoria. . . . Some security sources are skeptical of the claim that such a large team was needed for the [London] operation, but Williamson says the operation was of such a sensitive nature that it required a full-scale team. Williamson said that a British national called Peter Casselton, previously alleged by renegade police death squad captain Dirk Coutzee to have committed the sabotage on his own, was only a leg-man in the operation."

While there is little reason to doubt the accuracy of Williamson's account of the London bombing, and the First and Schoon parcel bombs, his account to the *Observer* was quite self-serving. He claimed that, following the deaths of Schoon and her daughter, he became "disillusioned with police work." "I came to the conclusion that the war was lost because the strategy that was being used was wrong. It was getting more and more military and less and less political, and it had to go the other way. So I decided to get involved in proper intelligence work, especially on the international scene," he said. Of course, that would lead Williamson into collusion with an international arms-trafficking and crime cartel. And, according to the recent allegations of de Kock and Coutzee, it also led Williamson to play a pivotal role, on behalf of those international cartel interests and their backers in London and Washington, in the assassination of Sweden's Prime Minister Olof Palme.

Seychelles International Bank became the islands' de facto central bank; Ricci, in 1983, arranged for a branch of the Bank of Credit and Commerce International (BCCI) to be opened on Mahé Island; Ricci was made the unofficial chief of the islands' foreign intelligence service; and Ricci's hotel became a safehouse-of-preference for some of Europe's leading financial swindlers and renegade arms merchants, many of whom were involved in aspects of the Thatcher-Bush secret wars.

Mario Ricci, P-2, and the Knights of Malta

Africa Confidential, a London newsletter often described as being closely affiliated with Britain's MI-5, published a story on the Ricci-Williamson alliance in its April 15, 1987 issue, entitled "South Africa: The Network of a Master Spy." *Africa Confidential* editor Stephen Ellis reported that the Ricci-Williamson collaboration was principally aimed at breaking the South Africa embargo, especially the petroleum embargo.

"Oil exports to South Africa are outlawed by the United Nations," Ellis noted, "although South Africa has previously experienced little difficulty in circumventing this legislation, largely through independent commodity dealers such as Marc Rich. Rich in fact visited the Seychelles in 1984 for talks with local officials and others to discuss a scheme to establish the islands as an oil-dealing entrepôt, buying cheap from Mexico and re-selling the oil for a profit. Rich is not known to have participated in this plan subsequently. This scheme was the brainchild of Francesco Pazienza, a former employee of the Italian military intelligence service SISMI, and a former consultant to the notorious Banco Ambrosiano. Pazienza, an extraordinary political fixer, is currently on trial in Italy for offences connected with the 1982 collapse of Banco Ambrosiano. Pazienza stayed at Ricci's hotel in the Seychelles when he was on the run from the Italian police in 1984. It was then that he raised the oil scheme which he discussed with other interested parties, including René, Ricci, Rich, and Robert Armao, former aide to the Rockefeller family, spokesman for the late Shah Mohammed Reza Pahlavi of Iran, and friend of Central Intelligence Agency Director William Casey. It appears that Pazienza's 1984 scheme is only now coming to fruition, although not quite as he had planned since Pazienza is in jail and the idea is in the process of being co-opted by Williamson."

Africa Confidential brought up another dimension of the Ricci and Pazienza profiles, one that has significant implications for the sanctions-evading operations, and the underground international arms trade. "Among the many achievements in Pazienza's bizarre career was the establishment in New York of a company called the Sovereign Order of St. John, Knights of Malta, Inc. Ricci is officially accredited to the Seychelles as the representative of a phony Christian order of chivalry which he calls by various names at different times, mostly versions of the name Sovereign Order of St. John, Knights of Malta, and it appears that he was originally recog-

nized as the ambassador of Pazienza's outfit. Ricci's spurious diplomatic status gives him access to a diplomatic bag. Williamson has also joined Ricci's Order of St. John. . . . The Seychelles is the only country in the world which has given diplomatic recognition to Ricci's order. . . . He has rendered numerous services to the Seychellois government over a period of years, including supervision of external security and donations to the ruling party. And it was Ricci who, according to President René, masterminded the establishment of the Seychelles as a tax haven, a strange development in a Marxist state.

"Williamson's directorship of GMR (South Africa) gives him an association with a remarkable international network in Europe, the Indian Ocean, Somalia and Kenya, where GMR is said to have interests in casinos. An impressive array."

Impressive, indeed. The Knights of Malta, both the official Vatican-recognized order, and the many splinter orders, have been long identified as pivotal to the global arms trade. Sam Cummings, the American-born, London-based armaments dealer who founded Interarms, the world's largest "private sector" supplier of weapons, is a longtime member of the Knights of Malta, as was the late CIA director Casey, and American shipping magnate J. Peter Grace. Cummings and Grace were instrumental in the "public diplomacy" efforts, on behalf of the Bush-North secret wars of the 1980s.

But, Ricci's connections to the even more shadowy P-2 Lodge are of equal significance to the reinvigorated Palme probe, with its focus upon the "South Africa connection," Williamson, White, et al.

Propaganda Two

When the Italian Banco Ambrosiano went bust in the early 1980s, and the bank's president, Roberto Calvi, was discovered hanging from Blackfriars Bridge in London, the apparent victim of a Freemasonic ritualistic murder, an international scandal erupted, exposing the role of the illegal Italian Freemasonic Lodge, P-2, in a wide range of criminal activities, including a rash of right-wing bombings and assassinations all across Europe, during the late 1970s and early 1980s. When the membership list of the P-2 Lodge was leaked to the press, many of Europe's most prominent politicians, military officers, and intelligence chiefs were driven from office. In Italy alone, 47 Army generals and six Navy admirals resigned, following the May 20, 1981 public exposé of the lodge. Not coincidentally, the public exposure of P-2 came just seven days after the unsuccessful assassination attempt against Pope John Paul II, by Mehmet Ali Agca. Many in the Vatican, and in the Italian security services, felt that the P-2 Lodge had played some kind of role in the attempt on the pontiff's life.

The chief of SISMI, Italian military counterintelligence, for whom Pazienza worked, was also identified as a lodge member. P-2 Grand Master Licio Gelli, a wartime Nazi collaborator, later suspected of ties to Soviet bloc intelligence, could also boast of strong ties to several people in the Reagan-

Bush administration in Washington.

One of the most prominent of the Reagan-Bush administration national security figures publicly tied to Gelli and his P-2 Lodge, was Michael Ledeen, a consultant to the National Security Council, and a close associate of President Reagan's first secretary of state, Alexander Haig (a former secretary general of NATO). Ledeen, although officially listed merely as a White House "consultant," was the liaison to Manucher Ghorbanifar, the Israeli Mossad-linked Iranian "businessman" who brokered the original arms-for-hostage deals, through which the United States and Israel funnelled tons of weapons to the Ayatollah's regime, throughout the Iran-Iraq War.

At his 1987 trial in Bologna, Italy, Francesco Pazienza confirmed Ledeen's links to the P-2, and to the "Super SISMI" apparatus, run by SISMI chief and P-2 member Gen. Giuseppe Santovito.

"The Supersismi was not a structure, but a kind of organization. I was called to collaborate with SISMI in January 1980. I had met General Santovito in November-December 1979 . . . and since the end of 1979, Santovito proposed to me to become SISMI station chief in Paris. . . . I cannot name the names of my collaborators, but given that one name has already come out, I have no problem in saying that among them was Michael Ledeen, who was there even before I arrived, and continues to collaborate with the service—so much so that I came to know with absolute certainty that, in 1985, he was receiving all the investigative-judicial material concerning the investigation for the attempt against the pope."

The final report of the magistrates assigned to investigate the crimes of the P-2 Lodge identified Pazienza as a Ledeen recruit, "essentially the representative of an intelligence structure of the U.S. Republican Party, that came to influence profoundly our counterespionage service." Through the Ledeen channel, both Pazienza and P-2 Grand Master Gelli were, in fact, invited to attend the Reagan-Bush inauguration in January 1981, in Washington, D.C. While in Washington, they held behind-closed-doors meetings at the Republican National Committee headquarters, with Philip Guarino.

Ledeen had inserted himself into the Reagan administration, courtesy of his P-2 friends. In October 1980, on the eve of the U.S. Presidential elections, Ledeen and Arnaud de Borchgrave had co-authored a series of front-page stories in the *Washington Times*, a newspaper owned by South Korean Rev. Sun Myung-Moon and his Unification Church. The stories revealed that Billy Carter, the brother of President Jimmy Carter, had been involved in secret business deals with Italian "businessman" Michele Papa (later exposed as a P-2 member), and Libyan dictator Muammar Qaddafi. The scandal had little impact on election day, because Ronald Reagan was to defeat Carter easily. It did, however, boost the credibility of Ledeen and Haig, his close associate, helping to land both men important posts in the newly elected Reagan-Bush administration.

Italian investigative magistrate Palermo, during his own

investigations of P-2, found that, in addition to Billy Carter, Michele Papa's Libya dealings had involved another P-2-linked financier, Giovanni Mario Ricci, of the Seychelles.

The Ricci links to Qaddafi were further explored by *Africa Confidential* in the April 1987 issue that highlighted the Ricci-Pazienza-Williamson-Marc Rich embargo-busting collusion. "The Seychelles International Bank continues to fascinate, by reason of its association with various exotic financiers, including some involved in such interesting escapades as the collapse of the Italian Banco Ambrosiano, the Italian bank which went under in 1982, leaving a huge hole in its accounts," Stephen Ellis wrote.

"Ricci's interests certainly included the SIB, at least until recently, although it is not clear whether he still remains a director. Currently, lots of SIB shares are held by unidentified interests in Hong Kong, and Australia. But the largest single

Ricci and Williamson on the GMR group

To hear Giovanni Mario Ricci's description, one would get the impression that GMR was an above-board, growing industrial and investment firm, expanding its operations throughout southern Africa. A January 1987 company prospectus provided the following thumbnail history of GMR group:

"Giovanni Mario Ricci, founder of the GMR group, is descended from a Tuscan family of merchants, financiers, and entrepreneurs. He follows in the footsteps of his forebears who traditionally have promoted international trade, fostered diplomatic ties, and have been active patrons of the arts. He was born on 7th August 1929 in the Garfagnana, an exceptionally beautiful region of Tuscany, celebrated by poets such as Heine and Pascoli. . . .

"During the 1960s, Giovanni Mario and Giuseppe Ricci, the only survivors, found the strength to combat fate and to begin the reversal of [the family's] long retreat. They reconstructed the family's fortune by streamlining and concentrating in a single international organization the vast range of mercantile, entrepreneurial, and financial experience that the Riccis had accumulated through generations of the widest ranging commercial activity. . . . Today the history of the Ricci brothers is one of an international group which pursues financial profits in complete accord with the economic development of the countries in which it operates. This is done in the open; the group has no secrets and does not seek political power either covertly or overtly.

known holder of SIB shares is the Luxembourg-based company Transmarine.

"So in order to assert who owns the SIB, it is necessary to know who owns Transmarine. The controlling interest in Transmarine is in fact held by the powerful Italian entrepreneur Giancarlo Parretti, who has excellent contact in French and Italian socialist circles. . . . But perhaps the most intriguing Transmarine shareholder is Florio Fiorini, a financial technician of legendary skill. He resigned a former post as financial director of the Italian State Oil Company, ENI, in 1982, after making unauthorized payments to the Banco Ambrosiano. Fiorini is also among the directors of the Société Anonyme Suisse Pour les Exploitations Agricoles (SASEA), a company taken over in the 1970s by friends of the late Michele Sindona. The company is believed to have access to capital from Arab, and, especially, Libyan sources, as well as

from Swiss, Italian, and Norwegian financiers, and possibly some well-known New York family. . . . Several SASEA directors, including Fiorini and Manfredi Lefebvre d'Ovidio, have been directors of the SIB and may still hold directorships.

"It is this connection with the SASEA which is the root of the SIB's current difficulty. In 1986, SASEA planned to buy a block of shares of the insurance company, Assicurazione Generale, from the Lebanese businessman—and convicted fraudster—Antione Tannouri. SASEA paid Tannouri an advance of \$4 million, drawn on the Seychelles International Bank. SASEA subsequently claimed Tannouri had failed to hand over the shares. Tannouri has issued a counterclaim against SIB in Monte Carlo, through his French lawyer, Jacques Verges, famous as the advocate of the old Nazi Klaus Barbie."

"Today the name GMR group characterizes an organization managed by the most advanced techniques, dedicated to a profound and detailed study of our times. It is staffed by dynamic and highly experienced managers who, while being acutely aware of the problems of present-day society, look to the future in the firm belief that: 'The foundations of a free and peaceful human society will be constructed only from that which men make through work, not from that which they destroy by war.'

"The GMR group is a private group led and managed by a family which has its origins in a past of intense activity. All of its top officers are linked to the Ricci family by family ties, associations, and old friendships. . . .

"Our principal activities are: acquisition of those industrial and/or commercial companies which multinational corporations decide to dispose of in implementing their disinvestment policies in those countries where, due to the changed economic, political, or social circumstances, their investments have become economically or strategically unattractive. . . . We recently extended this main activity of our group to South Africa in order to acquire South African corporations owned or controlled by those multinational companies which, due to the international political pressures, encounter serious difficulties in keeping the ownership of their South African subsidiaries and developing them; difficulties that force on the multinational corporations a disinvestment policy to preserve their image. . . .

"Milton Friedman continually urges us to defend ourselves firmly from the ever increasing presence of the state in the life of the countries, a presence which inevitably determines the erosion of freedom: economic, political, individual, national freedom. With the same firmness we should also defend the developing countries, because only

when all nations will be liberated from this interference, will mankind really be 'free to choose.'

Dealing with 'problems'

In the prospectus, Craig Michael Williamson, who was listed as the managing director of the GMR group South Africa, added his statement about the firm's activities in the Republic of South Africa. He wrote, "I joined the GMR group in 1986 after leaving government service in South Africa. I established the GMR group (SA) (Pty) Limited and was appointed managing director in July 1986. I decided to accept the offer of the chairman of GMR to join his group and to develop GMR activities in the Republic of South Africa and in other countries of the region because of the fact that I regard the GMR group's business philosophy as an example of what private capital should be doing throughout the world.

"Political and economic problems, especially of Africa and South America were what I dealt with for 17 years as a government official. In all that time and throughout the world I saw too few examples of healthy cooperation between private capital and developing countries. . . . With specific reference to southern Africa, sanctions, boycotts, threats, and violence will only serve to exacerbate existing problems and to promote political and economic policies which are an anathema to all who wish for stability in the region."

Considering that Williamson has now admitted that he spent most of his "government service" organizing assassinations of African National Congress leaders, bombing anti-apartheid offices, and spying on European opponents of the South African government, it is obvious that GMR group was not exactly the benevolent venture capital firm it portrayed itself to be.

The telegram

For years, official investigators of the Palme assassination had assiduously avoided looking into a mysterious telegram, uncovered by Italian investigators probing the P-2 scandal. The purported telegram, which has yet to be authenticated, was allegedly sent on Feb. 25, 1986—three days before the Palme assassination—by P-2 Grand Master Licio Gelli, to Republican National Committee official, and P-2 member, Philip Guarino. The text of the purported telegram read: “The Swedish tree will be felled, tell our good friend Bush.” The telegram was an obvious reference to the pending assassination of Olof Palme.

Published accounts of the purported Gelli-Guarino telegram have all been ultimately traced to Paziienza, and there remains a great deal of skepticism about the accuracy of his account, in part because of the seriousness of the implications, were the telegram to be authenticated.

With the new “South Africa connection” revelations, and the links, via Ricci, to the Italian P-2 apparatus, the telegram may take on new significance. P-2 was certainly implicated in some of the most brazen acts of terrorism of the 1980s, beginning with the Aug. 2, 1980 bombing of the Bologna, Italy train station, in which 85 people were killed, and hundreds injured. Stefano della Chiaie, a P-2 figure personally implicated in the “Bologna massacre,” would later surface in Bolivia, as a powerful behind-the-scenes figure during the “Cocaine Colonels” regime.

The Ricci-Williamson South African complex, including GMR and Longreach, now being linked to the Palme assassination, was a part of the Southern African connection of Ledeen, Gelli, P-2, et al.

The Israeli connection

The presence of Marc Rich at the 1984 meeting to plan out the sanctions-busting effort, adds a further dimension to the Ricci-Williamson-White concert. Marc Rich served, throughout the 1980s, as a liaison among Israeli, Iranian, Soviet, and American intelligence networks, engaged in vast arms-, oil-, and drug-trafficking operations in the Middle East, Africa, and South America. The story of this bizarre set of subterranean business dealings came to light following the Dec. 23, 1987 arrest of a Lithuanian-born Israeli citizen, Shabtai Kalmanowitch, by Israeli police, on charges that he was spying for the Soviet KGB.

Kalmanowitch was an operative for Marc Rich, who had played a pivotal role in Israeli intelligence operations in Africa. Kalmanowitch had “escaped” to Israel from Lithuania in 1971, and rapidly established himself as a sharp political operative, working, first, for the Israeli Labor Party, in the office of Prime Minister Golda Meir and, later, as a political liaison officer in East Europe. In 1977, Kalmanowitch switched over to the Likud Party, at the point that Menachim Begin became prime minister. Kalmanowitch’s initial Likud sponsor was notorious North African Jewish gangster Samuel

Flatto-Sharon, who bought his seat in the Israeli Knesset (parliament) that same year, in order to avoid criminal prosecution in France for his smuggling activities in francophone Africa.

In the 1980s, Kalmanowitch set up a string of front companies, including B International, and LIAT, which came to dominate the economies and governments of the South African bantustan Bophuthatswana, and the West African state of Sierra Leone, following a Mossad-engineered coup d’état there in 1985. Wherever Kalmanowitch set up shop, Marc Rich was immediately brought in as his super-partner. Rich, who launched his career as one of the world’s biggest and dirtiest commodities traders, at Phillips Brothers, struck out on his own in 1973, setting up Marc Rich and Company as a strategic metals and petroleum trading house in Zug, Switzerland. Soon, Rich had established a special relationship with Iran, that survived the overthrow of the Shah and the takeover by Ayatollah Khomeini.

By the early 1980s, Rich was running his own oil-for-arms pipeline in and out of Iran; he was the leading spot market trader in Soviet oil, and precious metals; and was the leading oil supplier to the Republic of South Africa, end-running the United Nations boycott. According to *Africa Confidential*, during 1983-86, Rich delivered over 2.5 million tons of Iranian oil to South Africa. Among the commodities swapped for the Iranian oil were 155-millimeter howitzers and ground-to-air missiles, manufactured in the South African factories of Gerald Bull’s Space Research Corp.

During their initial efforts on the continent, Rich and Kalmanowitch’s African operations were well-protected by the Israeli Mossad’s senior officer in charge of Africa, David Kimche. Kimche, during the middle of the 1980s, became the director general of the Israeli Foreign Ministry, and the liaison to the Reagan-Bush White House secret operations. Through this Kimche connection, Kalmanowitch was able to staff every office of his LIAT firm with “retired” Mossad and Israeli Defense Force officials. Kalmanowitch also used his status as a “diplomat” for the Sierra Leone government, to travel throughout the Soviet bloc, arranging joint business ventures in Africa. Sierra Leone, in the meantime, had become a favorite smuggling port for Iranian oil bound for South Africa, but “delivered” to Rich and Kalmanowitch-owned companies in the West African republic.

Guns-for-ivory

In 1995, South African journalist De Wet Potgieter published *Contraband*, an exposé of the illegal trade in African ivory and rhino horns. In the book, he provided important additional revelations about the activities of Craig Williamson, Mario Ricci, Anthony White, and a coterie of others involved in the “South African connection,” now at the center of the Palme murder probe.

Potgieter documented an Africa-wide criminal infrastructure, that slaughtered much of the continent’s elephant and rhinoceros herds, in order to peddle ivory and rhino horns on

the global black market, especially in Asia. Among the leading poachers in this multimillion-dollar-a-year trade, were the so-called Angolan "freedom fighters" of Dr. Jonas Savimbi's UNITA rebel group, who financed a good part of their war for control of Angola through the ivory and horn trade.

Potgieter bluntly stated: "For more than a decade, South Africa's controversial military involvement in the bush war in Angola and Namibia was a pivotal factor in the illegal trafficking of rhino horn and ivory. The draconian security laws imposed by the Nationalist government of P.W. Botha and his predecessor . . . served as a perfect cover for the international smugglers to operate with virtually no threat of prosecution. . . . This 'service' to South Africa had given the syndicates carte blanche to establish smuggling networks, using South Africa as the conduit. These common criminals had secured for themselves the most wonderful cover by portraying themselves as allies of the South African security forces against the evils of the Soviet Union's so-called 'total onslaught.' . . . Since the 1970s, South African and foreign investigative journalists have, from time to time, exposed military involvement in the convoys of trucks laden with ivory and rhino horn moving from Angola to Namibia."

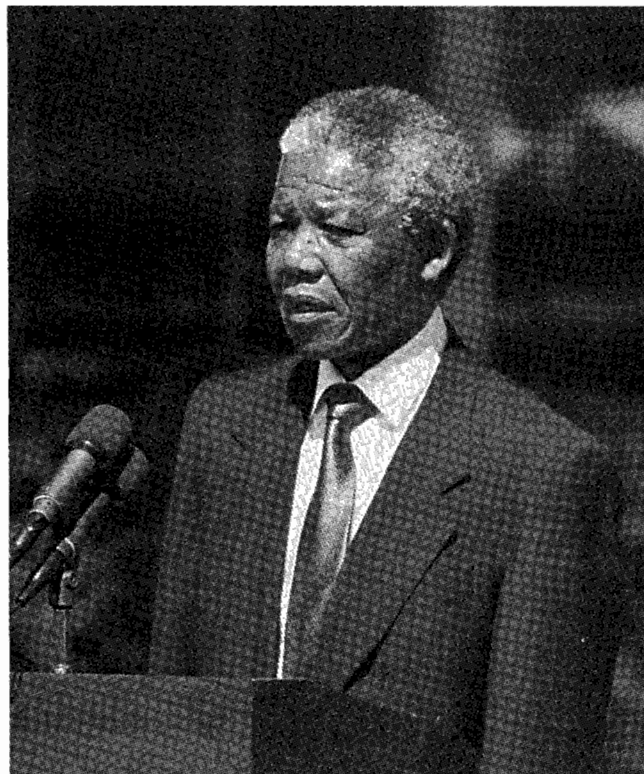
One such investigator, cited by Potgieter, was Craig van Note, an American who testified before the U.S. House of Representatives Merchant Marine and Fisheries Committee. He said: "Jonas Savimbi and his UNITA rebel forces in Angola, largely supplied by South Africa, have ruthlessly liquidated perhaps 100,000 elephants to help finance the war. Most of the tusks have been carried out on South African air transports or trucks, although some moved through Zaire and Burundi. The sturdy South African four-wheel-drive trucks that carry war matériel and other supplies across the Caprivi Strip to Savimbi's forces in southern Angola return laden with ivory and valuable tropical hardwood."

These accounts of an illegal guns-for-ivory trade bankrolling the Angolan "freedom fighters," parallels the Nicaraguan and Afghanistan cases, in which the flights bringing in weapons to the Contras and the mujahideen were leaving full of illegal narcotics.

And, not surprisingly, Mario Ricci, Craig Williamson, and Anthony White were right in the middle of this creative "freedom fighter" funding scheme. According to Potgieter, in April 1988, White and Williamson tried to buy up the entire legal and illegal stock of ivory from Burundi—an estimated 84 tons. White and Williamson identified the prospective "buyer" as Mario Ricci. They had arranged for the Burundi ivory to be "washed" onto the world market through doctored sales permits, provided by the government of Mozambique.

Tiny Rowland

This time, it was likely White who had provided the political connections to obtain the false Mozambique papers. In addition to his work for GMR and Longreach, White had established his own security company in Baira, Mozambique,



Nelson Mandela, visiting the White House, June 25, 1990. Since assuming the Presidency of South Africa, his Truth Commission has unearthed key leads that could solve the Palme assassination.

called Flocon International, which worked with the Frelimo government in the capital of Maputo. But, White's real clout in Mozambique derived from the fact that, according to one well-placed British investigator, Flocon International ran the security for Tiny Rowland's business ventures in the Baira corridor.

Tiny Rowland, the longtime head of Lonrho (London Rhodesia Company), was, during the 1980s, one of the most powerful financial and political players on the African continent, as well as a member of the London-centered European oligarchy's unofficial Club of the Isles. Rowland was also an important player in the Reagan-Bush administration's secret arms-for-hostage deals with Ayatollah Khomeini's Iran, and the "secret wars" of the 1980s. Rowland, according to U.S. Congressional investigations, was the source of the \$7.5 million, for the purchase of the initial August 1985 arms shipment to Iran. Furthermore, Tradewinds, a Lonrho subsidiary involved in arms sales, sold its entire fleet of planes to St. Lucia Airways, an obscure company which was a creation of the networks of Oliver North and Richard Secord. St. Lucia flew arms to the Contras in Central America, and to Dr. Savimbi's UNITA forces in Angola, via Zaire.

In fact, the Contra supply plane that was shot down on Oct. 5, 1986 over Nicaraguan air space, was piloted and co-piloted by Blaine Sawyer and William Cooper, respectively.

Just one week before their deaths, they had been in Zaire, delivering a planeload of arms and supplies to UNITA.

Rowland's involvement with the Bush-North Contra and Iran arms-for-hostages efforts, did not stop him from building strong ties to prominent Warsaw Pact circles. In January 1986, just one month before the assassination of Palme, Rowland, several other top Lonrho executives, and senior officials of the ruling British Tory Party had met in London with a business representative of East German intelligence's leading smuggler, Alexander Schalck-Golodkowski, the head of the Stasi's "commercial" front, IMES. One of Rowland's top executives at Lonrho, Dr. Ashraf Marwan, an Egyptian married to the daughter of the late President Gamel Nasser, was on intimate terms with Libya's Muammar Qaddafi. The purpose of the January 1986 London meeting was to deepen collusion between British and East German "commercial" organizations all across southern Africa.

Operation Lock

Another significant covert program, in which Williamson and Ricci played a prominent role, was Operation Lock. Here, the efforts of the GMR-Longreach crew most visibly tie into the highest echelons of the Club of the Isles, and the British and Dutch royal households. Operation Lock was the brainchild of Prince Bernhard of the Netherlands, the wartime Nazi who became the royal consort. He, along with his British counterpart, Prince Philip, helped launch the World Wildlife Fund (WWF) in the 1960s. Philip and Bernhard also created the secretive 1001 Club, which recruited 1,001 of the world's wealthiest and most powerful individuals to bankroll the global environmentalist movement, beginning also in the 1960s. Among the charter members of the 1001 Club was Maj. Louis Mortimer Bloomfield, a Canadian and the head of the 1960s-era "Murder, Inc." front, Permindex.

According to Potgieter, *Africa Confidential*, and Irish investigative journalist Kevin Dowling, in 1989, Prince Bernhard dispatched a team of crack "former" British SAS commandos, headed by Col. Ian Crooke, to South Africa, ostensibly to eliminate some of the leading rhino tusk and ivory poaching syndicates, by "executive action." Operation Lock, as the WWF covert paramilitary operation was dubbed, was run through a London private security firm, KAS, initially established by Sir David Stirling, the legendary founder of British Special Air Services (SAS). Stirling created KAS at the behest of Prince Bernhard, and the Dutch monarchy put up an estimated 250,000 pounds sterling in "seed money" to launch Operation Lock. Ultimately, Operation Lock dispatched over 25 "former" SAS commandos to South Africa, to run the private program.

On the ground, Colonel Crooke solicited the aid of Craig Williamson, to assemble a team of "locals" to aid in Operation Lock. Williamson, in turn, set up several private security fronts, to funnel manpower into the Operation Lock effort. One such company, Control Risk Group (CRG), was headed

by Ron Reid-Daly and Tim Lewis. Reid-Daly was the founder and commander of the Rhodesian Selous Scouts, the elite commando unit that had waged a brutal terror-war to try to salvage the Ian Smith regime in Rhodesia. Lewis was a "former" British MI-6 officer. Lewis had been first sent to Africa by British intelligence in the early 1960s, and he had served with Reid-Daly in the Selous Scouts, serving at one point, as the immediate commanding officer of Anthony White. In the 1980s, following the fall of Ian Smith, Reid-Daly had brought a team of Selous Scouts into Transkei, one of the first of the Republic of South Africa bantustans, and had tried, unsuccessfully, to lead a secessionist revolt there.

Another outfit, employed by Williamson, to funnel manpower to Crooke and Operation Lock, was Executive Outcomes, headed by Eeben Barlow, a former South African military officer who had been active in Angola, providing support to Savimbi's UNITA, but who later contracted his "private" security services to the Angolan government. Barlow later was appointed head of Western European operations for the Civil Co-Operation Bureau, one of the paramilitary police units deployed to eliminate anti-apartheid activists. Executive Outcomes, one of the largest private paramilitary operations in the world, hires out battalion-strength private military teams to multinational corporations and governments. According to the Oct. 6, 1996 London *Observer*, Barlow's firm has already dispatched battalions of mercenary troops to Sierra Leone, Sri Lanka, Malaysia, and to several countries in South America.

The private firm that was most tightly controlled by Williamson, and which played a prominent role in Operation Lock, was Tactical Risk Control, or R & TG. R & TG was established in July 1987, ostensibly by Michael Richards, Leon Falck, and a third man named Tyrrel-Glynne, but was always actually controlled by Williamson.

While Operation Lock was ostensibly aimed at eradicating the poaching syndicates, by infiltrating them, and systematically eliminating their leaders, by extralegal means, it subsequently came to light that Colonel Crooke and his SAS teams—in league with Williamson and his crew, who trained the notorious *Koevoet* ("crowbar") unit, a pseudo-gang of former ANC soldiers—were actually responsible for manipulating the "Third Force" black-on-black violence that nearly triggered a civil war in South Africa, between the ANC and the Inkatha Freedom Party, during the run-up to the April 27, 1994, first-ever general elections in the Republic of South Africa.

Far from combatting the poaching syndicates, the Operation Lock SAS teams had actually moved in and taken over some of the black market in ivory and rhino tusks. This explains why the Operation Lock teams ostensibly "targeted" Anthony White, a well-known figure in the ivory smuggling business in Mozambique, while, at the same time, working intimately with White's partner, Craig Williamson. The whole effort was, in fact, a London, Club of the Isles-directed

destabilization of all of southern Africa, with the World Wildlife Fund of Prince Philip and Prince Bernhard leading the effort.

Following the death of Sir David Stirling in 1990, the control of KAS, and Operation Lock, was passed into the hands of Sir James Goldsmith, another leading Club of the Isles figure with major business holdings in Britain, the United States, and France. Goldsmith is a close personal friend of former U.S. President George Bush and former British Prime Minister Margaret Thatcher. During the Reagan-Bush-Thatcher era, Goldsmith was deeply involved in "secret parallel government" operations all around the globe.

Thus, the recently exposed "South Africa connection" to the assassination of Prime Minister Olof Palme, through Craig Williamson, Anthony White, Mario Ricci, and others, is, in reality, a component of the international, privatized intelligence apparatus, the asteroids, associated with the Bush-Thatcher secret wars, and with the London-based Club of the Isles.

Documentation

International coverage of the 'South Africa connection'

These are some of the major stories that appeared in the international press, in the first two weeks following the exposure of the South African links to the assassination of Prime Minister Olof Palme, in September 1996.

International Herald Tribune, Sept. 28: In an article entitled "South Africa Angle," the paper reports on Sept. 26, 1996, testimony by former South African counterinsurgency unit commander Col. Eugene de Kock, delivered at his sentencing for four apartheid-era assassinations. De Kock names Craig Williamson as the mastermind of the assassination of Olof Palme on Feb. 28, 1986, as part of Operation Longreach. De Kock claims to have "first-hand information."

From Angola, Williamson denies the charges: "The story is an old one. It was published in a Swedish newspaper in, I don't know, 1988, or something. I denied it then, and I denied it now."

But South African Deputy Foreign Minister Aziz Pahad declares, "We are waiting for fuller details. It has serious implications for our foreign policy, but we would like to substantiate these allegations."

And Solveig Riberdahl, the head of the Palme murder investigation in Sweden, tells the paper, "The fact that de Kock is the former head of the South African security forces

lends a different type of credibility to his story."

Reuters, Sept. 28: "Apartheid Hit Man Says Palme Killer in Mozambique," by Simon Haydon, reports that Dirk Coutzee, predecessor to Eugene de Kock, as head of a South African government hit-squad, told Swedish TV that South Africans were involved in the Palme killing, and that the murderer is today living in Mozambique. "There is no doubt that South Africa was behind the murder of Olof Palme, no doubt at all," Coutzee told Swedish TV. The article reports that Swedish "police knew Williamson had been in Sweden at the time of Palme's death but that he had not been anywhere near the central Stockholm street where the prime minister was shot dead late at night while walking home with his wife."

Aftonbladet, Sept. 28: This Swedish daily provides a detailed background sketch of Bertil Wedin, one of the Swedish associates of Craig Williamson. After serving as an officer in Swedish United Nations military units in the Congo and Cyprus, Wedin tried, unsuccessfully, to join the U.S. Central Intelligence Agency in Vietnam in 1966. Instead, Wedin went to work for the Swedish police agency, SÄPO, as an informant, and also went to work for a Wallenberg family bank.

Aftonbladet writes, "Wedin became an informant for SÄPO, and soon he was handing over information to them on the leftists. His contact in SÄPO was Jan Zelmerloov, now the chief of SÄPO in the town of Malmö. Wedin also worked at Enskilda bank in Stockholm. He produced a newsletter for them, called *Mediasammandrag* [*Mediabrief*]. Wedin wrote comments on political events in this newsletter, and he sent it out regularly to 1,250 business, military, and political leaders. According to the bank, this letter was read by Marcus Wallenberg, who prioritized it and read it every day."

Reuters, Sept. 29: "Charges Fly Between ex-S. Africa Apartheid Agents," by Anton Ferreira, reports that another South African apartheid-era "police hit-squad head," Dirk Coutzee, "stirred the pot further on Saturday when he said Palme was killed by a former special forces soldier in the then white-run Rhodesian [now Zimbabwe] Army was a member of Longreach." While denying that he had a role in the Palme assassination, Craig Williamson admits to Reuters that the ex-Rhodesian soldier, from the Selous Scouts, named by Coutzee as the Palme assassin, had been employed by Longreach.

Aftonbladet, Sept. 29: The Swedish daily publishes a document from an unidentified "South African research center," which names Anthony White, the accused assassin of Olof Palme, as an "ex" British Special Air Services member, who is now on the board of GMR Group, a company accused of laundering illegal money. GMR is chaired by Giovanni Mario Ricci, an Italian "with connections to the Italian Mafia." The board of GMR Group also includes Craig Williamson and Leonardo Mordini.

Expressen, Sept. 29: The Swedish daily names several Scandinavian associates of Craig Williamson who "function as his agents." One former United Nations soldier, Bertil

Wedin, is described as the most important of Williamson's Swedish associates. Wedin is affiliated with the World Anti-Communist League, and with a Swedish magazine, *Contra*, which propagandizes for "freedom fighters" in Angola, Afghanistan, and Central America.

Reuters, Sept. 30: "Ex-Rhodesian Denies Palme Murder Accusation," names Anthony White as the accused Palme assassin, and reports on an interview that White gave, from his timber business in Beira, Mozambique. White denies any involvement in the Palme assassination, telling Reuters: "I can only express extreme shock and disappointment. It's untrue, I was not involved." Reuters also interviews White's former commanding officer in the Selous Scouts, Ron Reid-Daly, who states, "We're all totally pissed off at these cowards who are trying to put the blame onto everyone else."

Corriere della Sera, Sept. 30: The Italian daily's Massimo Nava writes a detailed report on the South Africa "reveals," including a reference to the role of the East German secret service, the Stasi, in the disinformation campaign to blame the Palme murder on Swedish associates of Lyndon LaRouche: "As in any other excellent murder, the script includes the arrest of a culprit and a deflection. Chief of Police Holmer arrested Viktor Gunnarsson, sympathizer of the American LaRouche movement. Gunnarsson was acquitted, and moved to the United States. In 1994 he was killed with two pistol shots in his head. Two years earlier, a former agent of the Stasi, the secret police of Communist Germany, had revealed to a Swedish magazine his disinformation activity on the Palme case."

Nava also focusses on the international arms cartel as one key factor in the Palme murder: "In the spiderweb, the international weapons connection is the most credited and could cross the South African one. Mainly, the one casting shadows on the Swedish establishment and on a candid image of a country, neutral and peace-loving, drawing much of its wealth from weapons sales. While Olof Palme was appointed by the UN as mediator in the Iran-Iraq War, dossiers have been uncovered on the illegal export of heavy weapons, cannons, and missile-launchers produced by several companies headed by Bofors. A system of triangular flows, extending to India, Dubai, and Singapore, comes into the open. Palme was certainly aware of it, and wanted to stop it. In this chapter there is another perfect murder, that of Adm. Carl Frederick, head of the export controls office, who 'fell' on the rails of the Stockholm subway."

Aftonbladet and Expressen, Oct. 1: Both papers report on additional statements by former Williamson associates, linking him to the Palme assassination. Peter Casselton, who helped Williamson blow up the London headquarters of the African National Congress (ANC) in 1982, tells the press that "one individual living in Turkey killed Palme." Both White and Williamson helped him, Casselton says. Both papers report that Bertil Wedin is living in the Turkish side of Cyprus, and speculate that he is the man being referred to by Casselton.

Aftonbladet, Oct. 2: The paper interviews Wedin, who confirms links between the Palme assassination and the activities of the international weapons cartel. "I have information that might be of interest to the investigator of the Palme murder," Wedin tells *Aftonbladet*. "It is about the war between Iran and Iraq, and it is about the trucks. Iraq did not like the fact that Sweden and Volvo sold trucks to Iran during the war. When, in addition, Olof Palme became the negotiator, it became too much for them. I have a lot of information that the Palme group needs to know about."

ABC, Oct. 2: Villar Mir, the Spanish daily's correspondent in Stockholm, reports that Swedish police are taking the "South African track" in the Palme investigation very seriously. Two Swedish police have come forward stating that, on the night of the Palme assassination, they saw Anthony White within several hundred meters of the scene of the murder. Villar Mir also reports on new statements by Dirk Coutzee, identifying Lars Tander, a man who served with White in the same commando unit, as one of his sources on White's involvement in the Palme assassination. The article concludes by reporting that, in 1985, at the request of Wilhelm de Klerk, the brother of the President of South Africa, Palme had conducted secret negotiations in Zambia, Sweden, and Senegal, to negotiate the end of apartheid.

Aftonbladet, Oct. 3: It reveals that Craig Williamson had a British superior in Operation Longreach. "Longreach was directed by Michael Irving, a former high-ranking British naval officer." Irving used Williamson as a consultant, and as a contact man with South African intelligence. *Aftonbladet* reports that Longreach, and the affiliated company GMR, spied on anti-apartheid activists, and worked to break the embargo of South Africa, by smuggling oil and weapons into the country, using the Seychelles Islands as a base for their operations. *Aftonbladet* also identifies two Swedes, now residing in South Africa, Raoul Kjellqvist and Jan von Sydow, as participants in an unsuccessful 1981 coup d'état against the Seychelles government. Von Sydow is identified as the "banker" for well-known mercenary "Mad Mike" Hoare.

Aftonbladet, Oct. 4: Magdalena Kvarning writes that, according to an unnamed former South African police official, South African intelligence participated in the assassination of Olof Palme, because of Palme's opposition to apartheid, and because Palme specifically interfered to stop several arms shipments to Iran, via South Africa. "Armsfront, a military branch, was to export a large amount of explosives to Iran. This was stopped by Palme four weeks before the murder," the source told *Aftonbladet*. The source also stated that Williamson and his company, Longreach, were involved in the Palme assassination.

In a separate article, *Aftonbladet* reports that former Swedish police investigator Tommy Lindström, who had been involved in the Palme investigation, visited Eugene de Kock in prison in South Africa. De Kock reiterated the role of Williamson in the murder of Palme, and cited Inkatha Free-

dom Party senator and former police officer Philip Powell as his source on the murder plot. De Kock tells Lindström that Powell was himself a part of the plotters' group. De Kock promises that, in the near future, he will reveal the name of the shooter of Palme. He disputes Coutzee and Casselton's identification of White or Wedin as the shooters, although he confirms their ties to Williamson.

Expressen, Oct. 4: Prints a letter from Mari Sandström, a former Swedish secretary of information at the UN Refugee Commission in Geneva, which provides further details on the Palme assassination plot and the South African connection. Sandström writes to the Palme Investigative Commission that she was told by an unnamed member of South African intelligence that three South Africans traveled to Germany shortly before the Palme murder, to prepare the details of the killing, in league with a German man, Fraz Esser. Shortly after the Palme murder, Esser died in a car accident. According to Sandström's letter, there were others on the same "hit list" as Palme, including Mathias Hinterscheid and Sir Alfred Beit, a South African resident involved in the diamond trade. Sandström tells the commission that the murders of ANC officials Griffiths Mxenge (1981), and his wife, Victoria Mxenge (1985), are directly related to the Palme case.

El País, Oct. 4: The Spanish daily reports South African President Nelson Mandela's statement on the new Palme revelations: "We have to adopt special measures, to ensure that justice is realized, in the case of the assassination of Olof Palme," says Mandela. While acknowledging that it is not yet clear whether De Kock "will hold up to cross-examination," Mandela notes, "Sweden is playing an important role in facilitating development and reconstruction in our country. Therefore we take a personal interest that this matter will be thoroughly investigated." Mandela calls upon the leadership of the National Party to fully cooperate.

Washington Post, Oct. 4: "New Tales of Old Killing Stir Intrigue in S. Africa—Links to Slaying of Sweden's Palme Probed," by Lynne Duke, provides the first detailed account in the U.S. press, of the accusations by de Kock and Coutzee. The article provides new details about the career of Craig Williamson: "Williamson has said he would seek amnesty from prosecution from the truth commission in return for confessing his guilt in human rights abuses here. He already has admitted that he was involved in the 1982 letter-bomb killing of anti-apartheid activist Ruth First in Maputo, Mozambique; in the bombing of the African National Congress headquarters in London in the same year; and in the Lubango, Angola, mail-bomb deaths of Jeanette Schoon and her six-year-old daughter, Katryn, in 1984. Marius Schoon, an anti-apartheid campaigner, was the actual target of the bomb."

Duke also reports that Swedish officials are en route to South Africa to pursue the story: "The confessions made in other criminal cases by two of the agents have been deemed credible, leading officials here and abroad to take their new allegations seriously. Sweden's long-stalled Palme slaying

probe has been reinvigorated, and a team of Swedish investigators is to arrive here soon to work on the case with South African justice authorities."

Observer, Oct. 6: The London daily's article, entitled "Which South African Agent Killed Sweden's Olof Palme?" by Ruairidh Nicoll, names another leading South African apartheid-era counterinsurgency official who may have been involved in the Palme murder. Nicoll references "the grotesquely named Civil Co-Operation Bureau (CCB)," headed, at the time of Palme's murder, by Eeben Barlow, "now head of the profit-making mercenary outfit Executive Outcome," as a likely suspect, along with Williamson, et al. Barlow is described as the head of CCB's Region 6, "responsible for Western Europe." While CCB's activities in other areas have been widely exposed, Nicoll notes that what happened in Region 6 "remains a mystery."

Kronen Zeitung, Oct. 6: The Vienna daily raises the possibility that the bombing of Pan Am Flight 103, over Lockerbie, Scotland, in December 1988, was carried out by the same South African networks now accused of the Palme assassination. Palme's close friend and aide, Bernt Carlsson, was killed in the Pan Am 103 explosion. He had just been appointed as the new United Nations High Commissioner for Namibia, "and was seen as a threat against the apartheid regime." Carlsson, while Palme was alive, had been his personal liaison to Yasser Arafat, head of the Palestine Liberation Organization. He had worked with Palme on the UN Commission, assigned to impose the arms embargo on Iran and Iraq during their war in the 1980s, and, even after Palme's death, Carlsson had made a number of fact-finding trips of his own to the Persian Gulf.

Expressen, Oct. 8: The Swedish daily reports on the *Kronen Zeitung* story, linking the South Africans to the Lockerbie massacre. According to *Expressen's* account, in May 1989, the London *Independent* reported that the U.S. Federal Bureau of Investigation suspected that the bomb that blew up the plane had been planted in Carlsson's luggage.

Swedish TV Channel 1, Oct. 9: The "news-magazine" show "Striptease," of investigative journalist Lars Borgnas, attempts to revive the now thoroughly discredited "LaRouche/European Workers Party killed Palme" disinformation. Borgnas, a longtime enemy of the LaRouche movement, in 1986 was involved in the original disinformation campaign that distracted investigators for months. In the Oct. 9, 1996 broadcast, Borgnas charges that a right-wing Swedish businessman, with ties to the LaRouche group, was in South Africa just prior to the Palme assassination, meeting with police officials there. The broadcast claims that right-wing Swedish police had traveled to South Africa during 1985-87, as part of the International Police Association, and may have provided Craig Williamson with safehousing in Stockholm, at the time of the Palme assassination.

Svenska Dagbladet, Oct. 10: The Swedish daily reports on testimony of a Norwegian man, who has told the newspa-

per *Arbeiterbladet*, that he was with Craig Williamson in Stockholm a week before the Palme murder. The man claims that he was the chauffeur for another Norwegian, a wealthy businessman who gave a large amount of cash to Williamson. The source came forward after the Scandinavian media published pictures of Williamson, following the de Kock and Coutzee revelations.

Dagens Eko, Oct. 10: The Swedish daily reports that the head of the Swedish police unit probing the Palme assassination, and the assistant prosecutor, have arrived in Johannesburg, South Africa. Hans Olvebro and Jan Daneilsson are scheduled to meet with South African prosecutors and review the tapes of the interrogations of Eugene de Kock.

La Prensa, Oct. 11: The Argentine daily publishes the entire Sept. 30 *Corriere della Sera* article by Massimo Nava, on the Palme assassination revelations.

Washington Post, Oct. 13: "Nuremberg in South Africa—A Bland Hit Man Details Apartheid's Secret War," by Allister Sparks, provides further background on Eugene de Kock, "the old South African regime's chief assassin." De Kock, on trial for the past 19 months on 89 charges of murder, conspiracy, and fraud, is described as the chief of the apartheid regime's most sophisticated hit squad, C-10, which assassinated many ANC leaders, and orchestrated the "Third Force," black-on-black violence of the final years of the National Party governments. Sparks provides the following brief profile of de Kock's career: "Now 47, de Kock has been in the killing business all his adult life. He began in the 1960s, fighting in a South African police unit sent to support Ian Smith's white minority government in Rhodesia. After that he transferred to Namibia and Angola, where he learned the skill of turning captured black guerrillas against their own kind. He became a commander of the notorious 'Koevoet' (crowbar) police unit, made up largely of turned Angolan

freedom fighters who acquired a reputation for mass atrocities against civilians."

De Kock's C-10 operated out of a farm near Pretoria called Vlakplaas, where they trained "askaris," captured ANC soldiers who were "turned" as C-10 agents, and then trained to be some of the most brutal killers. C-10 also trained special units of KwaZulu Chief Minister Mangosuthu Buthelezi's Inkatha Freedom Party, at a secret camp near Ulundi, the capital of the Kwazulu homeland. "This, Sparks writes, 'clearly was the genesis of the so-called Third Force alluded to by Nelson Mandela during the black civil war that ravaged the Zulu people and claimed more than 20,000 lives before the 1994 elections.'"

Der Spiegel, Oct. 14: The German weekly details the new South Africa connection revelations, and highlights a British Intelligence MI-6 report that was provided to Swedish police investigators shortly after the Palme assassination, indicating that a member of the South African police *Koevoet* unit, with Swedish police collaborators, carried out the Palme murder. The MI-6 memo identified Craig Williamson as the operations chief for the assassination plot. *Der Spiegel* reviews Williamson's role as an infiltrator of the International University Exchange Fund, a financial conduit for the ANC, and his close work with Bernt Carlsson and Gunnar Eriksson, both close collaborators of Palme. Carlsson was killed in the explosion of Pan Am Flight 103.

Der Spiegel also reports on a dossier, assembled in May 1987 by Mari Sandström, the Geneva correspondent for the Swedish newspaper *Svenska Dagbladet*. Sandström received information from a participant in an international police conference in Johannesburg, South Africa, where the Palme assassination plot was discussed. Spiegel reports that, according to Sandström's source, plans for the Palme murder began in 1982, shortly after his election as prime minister.

John Train: Wall Street's man in Bush's secret government

A. Train's global tracks

John Train, investment banker, writer, Anglophile, spook, is a sort of "red dye," a marker for secret government operations tied to the international killer apparatus centered on George Bush and the international explosives cartel. From Sweden to Africa, from France to Afghanistan, from London to New York, you will find the tracks of John Train.

And, naturally enough, Train played a direct and crucial role in laying the propaganda groundwork for the frame-up and prosecution of Lyndon LaRouche: It was at his New York apartment that a series of meetings were held in 1983-84 which launched and coordinated news media attacks on LaRouche; these media attacks laid the groundwork for launching federal grand jury investigations of LaRouche and his associates from 1984 through 1988. This effort was an integral part of the Bush "Ministry of Propaganda," officially designated as "Public Diplomacy" during the Reagan-Bush administrations.

Train's role as chief propagandist in the "Get LaRouche" drive reflected his standing as a key figure in the Wall Street wing of the official American intelligence establishment. Financial community sources describe the investment counselor as one of the "top spooks" on Wall Street; others call him "the last of the OSS 'old boys' on Wall Street," referring to the Office of Strategic Services, the U.S. branch of British Intelligence established during World War II. Train never held an official position with the CIA or any other U.S. government intelligence service—nor did he need to.

John Train was born in 1928 to Arthur Cheney Train and Helen (Costin) Train. He is a member of a second-tier blueblood family, whose grandfather was a founder of the J.P. Morgan banking group. His education was at the Groton prep school and Harvard (B.A., 1950; M.A., 1951), with post-graduate work at the Sorbonne in Paris, where Train co-founded, with Harvard classmates, the literary magazine *Paris Review*. In between serving as managing editor of *Paris Review*, roughly in 1952-54 and 1957-59, Train served with the U.S. Army, apparently using family connections to gain a post on the staff of the assistant secretary of the Army in Washington during 1954-56.

In 1958, Train set up his own New York-based investment counseling and brokerage firm, Smith, Train Counsel. Reuters news service reported in 1985: "Some of America's wealthiest families have entrusted more than \$500 million to investment counselor John Train."

Although Train's initial source of funds and client list are shrouded in secrecy, some sources believe he might handle the family funds of the Gardner family of New York, Maurice "Hank" Greenberg of the American International Group, and Richard Mellon Scaife.

In 1984, Train sold a 50% interest in Smith, Train Counsel to the English Association Trust (EAT) of London. During the 1980s, EAT was a wholly owned subsidiary of the English Association Group, which, in turn, was a wholly owned subsidiary of PK Banken of Sweden, of which the Swedish government was the largest shareholder. In 1987, Erik Penser, a major shareholder in Nobel and its subsidiary, Bofors, took a 20% interest in PK Banken.

One of the two board members whom EAT placed at Smith, Train Counsel was Richard Cox-Johnson, who was formerly with N.M. Rothschild and Sons, Ltd. Before a more recent reorganization, Train sat on the boards of PK English Trust Co. of London, and PK Bank of New York.

A long Train of abuses

The Trains, who reportedly first arrived in the Massachusetts Bay Colony in 1635, barely compare with the accumulated power of the Cabots, Lowells, Bundys, and related blueblood families of the region. But they certainly do share these families' Tory hatred of the American republican system, and like them, made a fortune in the last century, by imitating the British East India Company, establishing the firm of Enoch Train and Co., whose clipper ships trafficked in Chinese opium.

Train family mythology claims that "Train" originates from the nickname which Mary Queen of Scots gave the boy who carried the train of her throne dress; but if it be true, the 20th-century Trains have long forgotten any Scottish outrage at the English monarchy's trampling on their sovereignty with the execution of Queen Mary.

However, the image of carrying the Queen's train is an appropriate one, considering the services that John Train and

John Train's British, Swedish financial ties

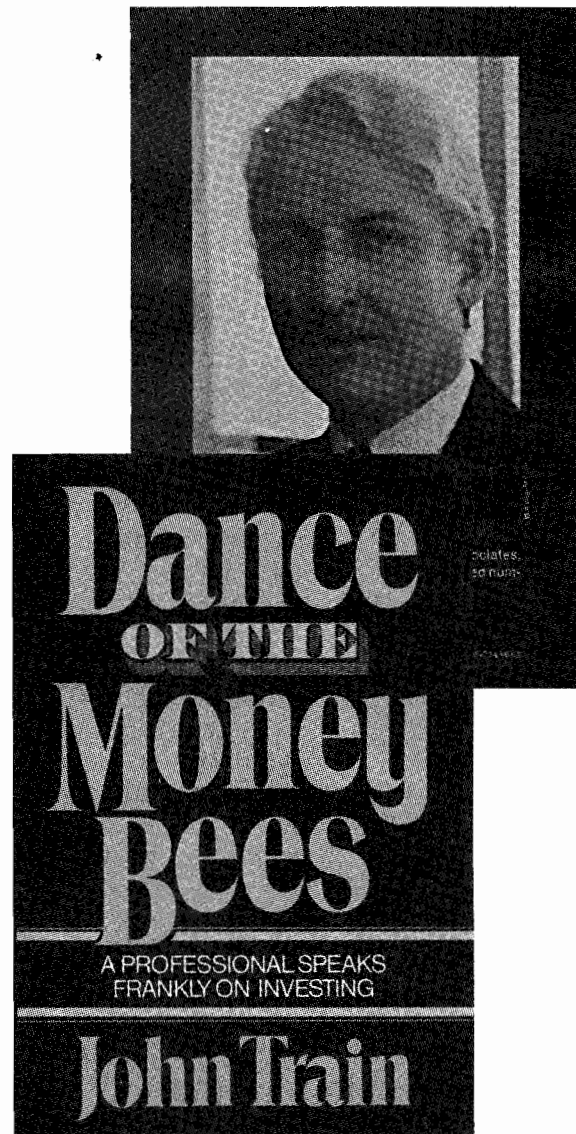
At the time of the 1986 assassination of Swedish Prime Minister Olof Palme, the firm **Smith, Train Counsel** was a subsidiary of the Swedish government-owned **PK Banken** (now known as Nordbanken). In 1984, Smith, Train Counsel had sold a 50% share in the firm to **English Association Trust (EAT)**. This was a wholly owned subsidiary of **English Association Group**, which was in turn a wholly owned subsidiary of PK Banken.

After the October 1987 stock market crash, one Erik Penser traded 90.1% of his stock trading firm Carnegie, for a 20% share of PK Banken, which left the Swedish government with 67% control of PK Banken. Smith, Train Counsel remained a subsidiary of PK Banken for some years after this merger.

Penser was also a major shareholder in **Nobel**, whose wholly owned subsidiaries included the Swedish armaments maker **Bofors**. Shortly before his assassination, Prime Minister Palme had been pursuing an investigation into bribery and illegal arms dealings by Bofors. Out of this investigation initiated by Prime Minister Palme, came a 1987 raid in Malmö, Sweden and subsequent charges against one of Penser's top arms-traffickers, Karl-Erik "Bobbo" Schmitz.

In 1989, the Swedish National Appeals Court, Hovratt, chose to retry the case against Schmitz and Bofors marketing executive Mats Lundberg, claiming that the Swedish County Court had overlooked major evidence that showed the alleged sale of explosives to Iran, which would be illegal under Swedish law. Schmitz had been making trips to Iran to arrange deals during the same time period covered by the "Iran-Contra" scandal. Schmitz had also been involved in arms deals with South Africa, which Prime Minister Palme had fought against as part of an anti-apartheid boycott. County Court Prosecutor Stig Age had already charged that Schmitz's clients (which included Iran) also included Syria and East Germany, among other forbidden destinations.

Since the Palme era, the direct financial connection between Smith, Train Counsel, and PK Banken and its successor Nordbanken, with Erik Penser, has been broken. When the connection was first made, EAT became **PK English Trust Group Plc**. However, PK English Trust Group Plc reorganized to buy back its shares held by PK Banken and also purchase PK Banken's stock-dealing section—i.e., the Carnegie section that Erik Penser had traded to gain a 20% share of PK Banken. The firm is now the



The front and back cover of one of John Train's books. The Wall Street Anglophile banker ran the "Get LaRouche" propaganda offensive, and served as a key "bridge" between British and American intelligence networks during the 1980s.

London-based **English Trust Group Plc**, and John Train is an honorary director; however, English Trust Group Plc retains a large share of Smith, Train Counsel, now called Train, Smith Investment Counsel.

English Trust Group Plc has gone through a succession of reorganizations since its founding, as did its subsidiary Smith, Train Counsel. Originally, in the 19th century, the English Trust Group Plc was known as the **English Association of American Bond and Shareholders**; it dealt mainly in American railroad stocks. Its next transformation was as **English Association Trust**, which purchased 50% of Smith, Train Counsel in 1984.

Roy Godson, son of a longtime CIA-State Department operative, is top-level "private" intelligence operative. He was a consultant to the President's Foreign Intelligence Advisory Board (PFAIB) and other agencies in the Bush era, and a liaison between the White House "Public Diplomacy" operation and John Train's "Get LaRouche" salon. Godson began tracking LaRouche as early as 1968.



his cousins provide for the London-centered European oligarchy today.

Train married into an old Venetian family, the Cini, in 1961. His wife, whom he divorced in 1976, was Maria Teresa Cini di Pianzano. She is the daughter of Vittorio Cini, a key figure in the fascist Italy of the 1930s, who later founded the Cini Foundation of Venice. Maria Teresa is well-connected in Sweden, and even wrote a book on "Swedish castles."

In 1976, Train was decorated "commendatore Ordine del Merito della Repubblica," and "commendatore Ordine della Solidarietà," by Italian President Giovanni Leone. (An inquirer was told a few years ago that the matter of Train's decorations was a state secret, that all the relevant documents had been sent from the President's office, the Quirinale, to the police, the Carabinieri, and were carefully hidden away, and that nothing further would be said about it!)

A few of John Train's cousins are worth noting:

Capt. Harold Cecil Train (1887-1968), was director of the U.S. Office Naval Intelligence in 1942-43, and he reportedly introduced cousin John into U.S. intelligence circles. Captain Train was instrumental in strengthening the ties of the ONI with the British security coordinator in New York, Sir William Stephenson; with the British Central Scientific Office; and with the British Air Commission and Admiralty Delegation. Naval intelligence historian Jeffery Dorwart writes in his book *Conflict of Duty*: "The director [Captain Train] frowned upon officers who showed little enthusiasm for the Anglo-American collaboration, criticizing one who did 'not seem to have had the word about the complete and free exchange of information between the British and ourselves.'" Thus started the Train family's direct connection with the British Secret Intelligence Service.

Russell Train, was for many years the chairman of the World Wildlife Fund for Nature-U.S. (WWFN), headed the Environmental Protection Agency, and is a trustee emeritus of the African Wildlife Foundation. He is a close friend of both George Bush and the Duke of Edinburgh, Prince Philip.

Sen. Claiborne Pell (D-R.I.), the ranking member on the Senate Foreign Relations Committee, served in the U.S. Navy during World War II, then joined the U.S. State Department, which stationed him in Prague, Czechoslovakia, where he was active in eastern European emigré matters. He next joined up with Leo Cherne, a close associate of John Train in "Public Diplomacy" circles (see below), and served as vice president and director of the International Rescue Committee (IRC). (Pell is also a raving New Age kook.) Partisan differences aside, Pell lets his cousin John Train handle his money, as he acknowledged in his introductions to two of Train's books.

'Paris Review' and the Goldsmith brothers

The roots of John Train's role as one of the Anglo-American oligarchy's leading psychological warriors goes back to Paris in the 1950s, when he was among the principal founders of the *Paris Review*, a literary journal and halfway house for some of the biggest degenerates to leave their mark on 20th-century culture. *Paris Review* not only gave new life to such discredited fascist apologists as Ezra Pound and communist fellow-travelers such as W.H. Auden, but also pioneered the "psychedelic" drug movement which blossomed a decade later as the drug-rock-sex counterculture.

Paris Review was founded in 1951. Train served as managing editor in 1952-54 and 1957-59, and he has remained an advisory editor since then. *Paris Review's* publisher was Train's Harvard roommate and friend, Prince Sadruddin Agha Khan.

The Agha Khans provide one of the bridges to another tier of oligarchy associated with John Train. Not only have the Agha Khans been intimates of the British royal family since Queen Victoria, but Prince Sadruddin, who has remained John Train's friend since their Harvard days, is also a friend and adviser to President George Bush. (The Agha Khan was the UN High Commissioner for Refugees in the 1960s, and later played a major role in the relocation of Afghan refugees.)

When Train arrived in Paris in 1952 for his postgraduate study at the Sorbonne and to work on *Paris Review*, his social clique included Sir James ("Jimmy") Goldsmith and Edward ("Teddy") Goldsmith. Informed sources report that the Agha Khans, the Goldsmiths, and others in the *Paris Review* orbit remain in regular contact with John Train today.

Afghansis and other training

Train is active in a number of other arenas which intersect the Bush "secret government" apparatus, and the international killer network around British SAS and Prince Philip's World Wide Fund for Nature.

Train is the founder and former chairman of the **Afghanistan Relief Committee** (ARC), which he established in 1980, and which is housed in his offices. The ARC's stated purpose was to raise "seed money" for medical organizations treating mujahideen casualties; its base of operations was at Peshawar, Pakistan, near the Afghan border. Peshawar was the chief transit point for the arms pipeline into Afghanistan, and a center of the arms- and drug-trade. Train's ARC worked especially closely with the Afghan faction around Gulbuddin Hekmatyar, an anti-Western "fundamentalist" whose operations were heavily financed through drug-trafficking.

Train's ARC also worked closely with the International Rescue Committee of Cherne and CIA Director William Casey, which had a base of operations in Peshawar. Cherne, at the time, was the vice chairman of the President's Foreign Intelligence Advisory Board (PFIAB), and the chairman of Freedom House.

Train's ARC was very closely tied to Cherne's Freedom House, which had its own Afghanistan Information Center, headed by Rosanne Klass, who was also the vice president of Train's ARC. Freedom House's treasurer, Walter Schloss, was a longtime business associate of Train. ARC likewise worked very closely with Prince Sadruddin Agha Khan, who was named coordinator of United Nations Humanitarian and Economic Assistance Programs for Afghanistan in 1988, and with the National Endowment for Democracy.

In 1984, Train was appointed by President Reagan to the board of the **African Development Foundation**, which has been a conduit for millions of dollars to Africa from the U.S. State Department Agency for International Development. He was confirmed in this post at hearings chaired by Senator Pell, his cousin, who was then chairman of the Senate Foreign Relations Committee.

Other positions held by Train include:

- Overseer, National Endowment for Democracy, International Forum for the Study of Democracy
- Director, International Rescue Committee
- Former governor, East-West Center (Hawaii)
- Director, Bulgarian-American Enterprise Fund
- Honorary chairman, British Natural History Museum International Foundation (London)
- Former trustee and director, World Monuments Fund
- Member, Council on Foreign Relations
- Member, International Institute of Strategic Studies (London)
- Director, Genesis Emerging Markets Fund (London)
- Founder and chairman emeritus, Train, Smith Investment Counsel

B. Public diplomacy

Beginning no later than April 1983 (just weeks after President Ronald Reagan's March 23 announcement of the State-

geic Defense Initiative), John Train convened the first of a series of salon sessions in his New York City townhouse, for the purpose of planning out and coordinating a news media campaign of defamation against LaRouche and his political movement.

The "Train salon," as it came to be known, was a project of the Public Diplomacy operation centered in the Reagan-Bush National Security Council.

In this section, we will review the structure and background of the Public Diplomacy project, and in the next section, we shall examine the nefarious workings and output of the "Train salon" itself.

The 'Ministry of Propaganda'

The Sept. 7, 1988 Staff Report on State Department and Intelligence Community Involvement in Domestic Activities Related to the Iran-Contra Affair, of the House Committee on Foreign Affairs, concluded:

"Senior CIA officials with backgrounds in covert operations, as well as military intelligence and psychological operations specialists from the Department of Defense, were deeply involved in establishing and participating in a domestic political and propaganda operation run through an obscure bureau in the Department of State which reported directly to the National Security Council rather than through normal State Department channels."

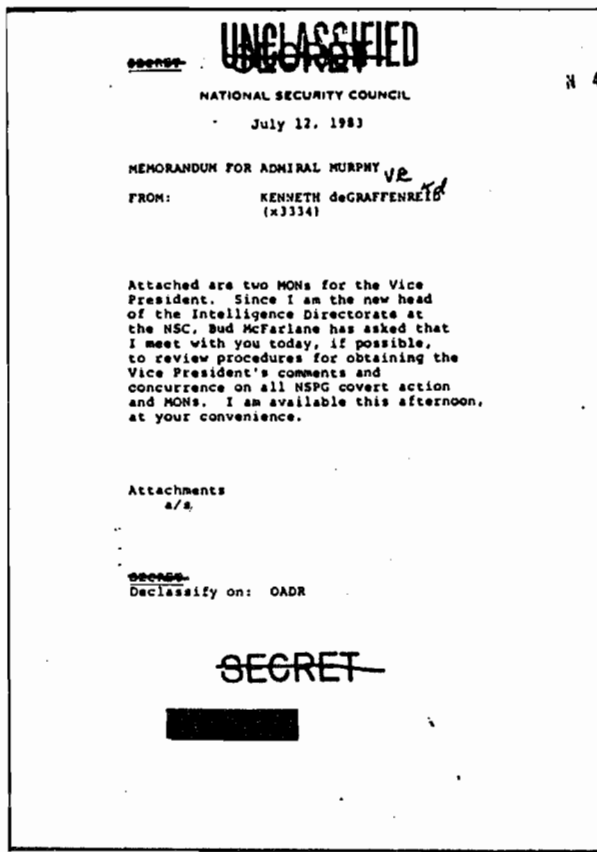
An article in the Fall 1988 issue of *Foreign Policy* magazine, entitled "Iran-Contra's Untold Story," reported that "the White House [had] created a sophisticated apparatus that mixed propaganda with intimidation, consciously misleading the American people and at times trampling on the right to dissent."

"Congressional investigators did draft a chapter about the domestic side of the scandal for the Iran-Contra report," the *Foreign Policy* article continued, "but it was blocked by House and Senate Republicans. Kept from the public domain, therefore, was the draft chapter's explosive conclusion: that . . . senior CIA covert operatives were assigned to the White House to establish and manage a covert domestic operation designed to manipulate the Congress and the American public."

EIR has put together the most comprehensive picture of how the "secret government" apparatus of the 1980s was created, and has shown that it functioned under the direct control of Vice President George Bush, operating through the National Security Council—and not the CIA (see *EIR Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush," September 1996, Chapter 2).

"Crisis management" is the key to understanding how George Bush became the covert operations "tsar" of the Reagan administration. Step by step, it worked like this:

1. In the early months of the Reagan-Bush administration in 1981, there was a brawl between George Bush and Secretary of State Al "I'm-in-charge-here" Haig over the control



Out of the loop? This July 12, 1983 memorandum, from NSC official Kenneth DeGraffenreid to Bush's aide Adm. Dan Murphy, asks for an immediate meeting to review procedures for getting Vice President Bush's comments and concurrence on all covert actions planned by the National Security Planning Group, and on all Memorandums of Notification (MONs). DeGraffenreid had just taken over Walter Raymond's position as head of the NSC Intelligence Directorate. One of the MONs which DeGraffenreid had on his desk at the time, according to NSC documents dated July 11 and July 13, was a notification of increased spending on covert action for Nicaragua.

of crisis management. On March 22, 1981, a leak to the *Washington Post*, headlined "Bush to Head Crisis Management," said that Vice President Bush would be placed in charge of a new crisis management structure, amounting to "an unprecedented role for a vice president." Haig protested, but Bush won out. The article noted that Bush "was chosen to chair meetings in the Situation Room in times of crisis," although it also noted that the Presidential directive formalizing this had not yet been written. This was a reference to the Special Situation Group (SSG), the status of which was formalized in December of that year (see below).

2. On Dec. 4, 1981, President Reagan signed Executive Order 12333, which designated the National Security Council (NSC) as "the highest Executive branch entity" for review,

guidance, and direction of *all* foreign intelligence, counterintelligence, and "special activities" (i.e., covert operations). This effectively put the NSC in charge of the CIA, military intelligence, special operations, and so on. This did not mean that the President's national security adviser would assume this charge, but the NSC staff structure—which is not a staff for the cabinet-level National Security Council, but for the White House—over which Bush increasingly assumed control.

A little-noticed provision of E.O. 12333 gave the CIA the exclusive conduct of "special activities" (covert operations), "unless the President determines that another agency is more likely to achieve a particular objective." This, for the first time, officially opened the door for assigning covert operations to the NSC staff.

Furthermore, in a provision which was almost the "charter" for Bush's secret government, Section 2.7 of E.O. 12333 permitted U.S. intelligence agencies to enter into secret contracts for services with "private companies or institutions."

3. On Jan. 12, 1982, National Security Decision Directive Number 2 (NSDD-2) was issued, which formalized the National Security Council structure. It confirmed the existence of a series of Senior Interagency Groups (SIGs) for foreign policy, defense policy, and intelligence—thus reducing the power of the secretary of state and other department heads.

4. A month earlier, on Dec. 14, 1981, NSDD-3 had *already* been signed. Entitled "Crisis Management," it affirmed the existence of the Special Situation Group, which, it said, would be "chaired by the vice president," and assigned to the SSG responsibility for crisis management. "Crisis Management" was defined as encompassing "a national security matter for which Presidential decisions and implementing instructions are required more rapidly than routine interdepartmental NSC staff support provides." This formalized George Bush's control over intelligence and covert operations.

5. On May 14, 1982, the first phase of the Bush takeover was completed, with the issuance of an extraordinary memorandum entitled "Crisis Pre-Planning," by the national security adviser. Citing the authority of NSDD-3, this memorandum established an interagency, standing Crisis Pre-Planning Group (CPPG) subordinate to the SSG. The CPPG was created as a *standing* body, which would meet regularly, and develop plans and policies for the SSG.

The SSG-CPPG, under the direct control of the vice president, was given control over *any* area in which a *potential* crisis could emerge, and was to develop *preemptive policy options* for dealing with it. "Crisis management" was no longer just for crises.

This SSG-CPPG structure, according to a chart later thrown at Secretary of State George Shultz during the debate over "Public Diplomacy," operated on the same level as the National Security Council, and was *above* the secretary of state. In reality, it superseded the National Security Council. It was this to which Secretary of State Shultz vigorously ob-

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MEMORANDUM
NATIONAL SECURITY COUNCIL

CONFIDENTIAL
ACTION

MARCH 3, 1983

MEMORANDUM FOR WILLIAM P. CLARK
FROM: WALTER RAYMOND, JR.
SUBJECT: Presidential Meeting with Funders

As you will remember you and I briefly mentioned to the President when we briefed him on the NSDD on public diplomacy that we would like him to get with some potential funders at a later date. Charlie Mich was given the lead to put this together. Charlie believed, and I think rightly, that we should develop precise plans that could be presented to the potential donors for their consideration. He also felt that the initial focus should be principally on Europe where we must generate greater European private support for our policies.

To accomplish these objectives Charlie has had two lengthy meetings with a group of people representing the private sector. This group has included principally program directors rather than funders. The group was largely pulled together by Frank Barnett, Dan McMichael (Dick Scaife's man), Mike Joyce (Tollin Foundation), Lee Lenkowsky (Smith Richardson Foundation) plus Leonard Sussman and Leo Cherne participated. The private group has put together a \$5 million package for funding.

Charlie is comfortable with the package and ready to sell it to the private sector. He wants to set up two meetings for March 21. He would like to bring his potential donors together with representatives of the private sector (Barnett, McMichael, Cherne) with himself and Peter Dalley. The problem of Europe and the program would be discussed. He would like this meeting to take place in the Roosevelt Room at 3:00 p.m. I have reserved the room for two hours. He would like you to drop in for a brief time with this group.

The group that is clearly on board includes: David Rockefeller, Dwayne Brown, Henry Salasatori and Rupert Murdoch. He expects that Carl Linde and Clint Murchison, Jr. will also attend. He will add one or two others but he does not want the group to be larger than six or seven. He anticipates that each of these people will make a large pledge. He also expects that each, after his visit in Washington will seek to gain three or four additional supporters. While the program will initially focus on Europe, it is obvious that this type of a core could be built upon to provide funding to broader aspects of project democracy.

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The key to this is a meeting with the President. Charlie would like the President to dine with this group on the evening of March 21. Can you confirm this? Charlie has had some discussion on this subject and believes he has a tentative green light.

Charlie is very anxious to get a commitment on the proposed points noted as recommendations below by close of business March 4. He will be leaving the country this weekend on official business for the better part of two weeks and would like to issue formal invitations.

Recommendations:

That you concur in the meeting in the Roosevelt Room on March 21.
(I have reserved the room from 3-5:00 p.m. on a contingency visit.)

Agree _____ Disagree _____

That you agree to meet briefly with the group in the Roosevelt Room.

Agree _____ Disagree _____

That the donors plus Charlie, you and Peter Dalley dine with the President on March 21.

Agree _____ Disagree _____

UNCLASSIFIED

CONFIDENTIAL

The March 3, 1983 memorandum from Walter Raymond, which proposed that President Reagan meet with potential private donors for the Public Diplomacy project on Europe. The planning group included key funders of the "Get LaRouche" task force, such as the Mellon-Scaife and Smith-Richardson foundations.

jected in May 1983, but he was overridden.

Incidentally, the May 12, 1982 memorandum directed each participating agency to provide the name of its CPPG representative to the CPPG coordinator—Oliver North.

6. On April 10, 1982, President Reagan was induced to sign NSDD-30, on "Managing Terrorist Incidents." This directive said that if a terrorist situation warranted it, the President's national security adviser could convene the SSG "at the direction of the vice president"—i.e., George Bush. NSDD-30 created the "Terrorist Incident Working Group" (TIWG, or "Tee-wig"), to support the SSG. TIWG was composed of representatives of the State Department, CIA, Defense Department, Federal Emergency Management Agency (FEMA), and the NSC staff, and was to be chaired by a representative of the NSC staff, which, before too long was—Oliver North.

7. Another, closely related, area under Bush's control beginning in 1981, was the "Continuity of Government" program for "emergency preparedness." The *Miami Herald*, in 1987, called the Continuity of Government program "a virtual parallel government," and reported that it included a plan "to suspend the Constitution in the event of a national crisis."

A *New York Times* article, on April 18, 1994, described the "Doomsday Project" as involving more than 20 highly classified "black programs," in military and intelligence agencies; it also involved private companies run by retired military and intelligence personnel. The *Times* reported that, during

the Reagan administration, "the project was supervised by Vice President George Bush." Oliver North wrote in his autobiography *Under Fire* that this was his first major project at the NSC, and that this was where he came to know Vice President Bush. FEMA was the public side of this program.

It was thus that, during the Reagan administration, all intelligence and foreign policy "crisis management" was consolidated, as much as possible, under the operational control of the Vice President of the United States, George Bush.

Donald Gregg and Walter Raymond

Donald P. Gregg, a CIA officer since 1951, was detailed to the Carter administration NSC staff in 1979, and was regarded by some as a Reagan-Bush "mole" during the 1980 election campaign, keeping an eye out for any sort of "October Surprise." The new administration requested that Gregg remain at the NSC, and he headed the NSC's Intelligence Directorate until 1982. In August 1982, he formally resigned from the CIA to become Bush's national security adviser, and he remained in that position until 1989.

In July 1982, Gregg recommended that Walter Raymond, a CIA officer experienced in the CIA's clandestine overseas media program, who had been seconded to the U.S. Army for much of his career, be posted to the NSC to replace Gregg. One of Raymond's two deputies in the NSC Intelligence Directorate was Kenneth DeGraffenreid (who succeeded him in this position in 1983).

Raymond later testified that his responsibilities included reviewing intelligence community programs for the Senior Interagency Group/Intelligence (SIG/I, created by NSDD-2), including covert operations and counterintelligence programs. But Raymond had a particular specialty: He was regarded by some as the CIA's leading propaganda expert.

In June or July 1983, Raymond was made international director of communications for the NSC, with the concurrent title of special assistant to the President. As he later explained it, he had been urging this reorganization upon then-National Security Adviser Bill Clark for months, to help "fight the war of ideas." Shortly before this, Raymond resigned from the CIA to avoid "contamination" (his word) of the Public Diplomacy effort by overt ties to the CIA.

Under E.O. 12333, the definition of permitted covert operations *excluded* those activities intended "to influence United States political processes, public opinion, policies, or media." Either Bush, Gregg, and Co. conveniently interpreted this prohibition as not covering the NSC staff, or else they simply chose to ignore it.

The "Public Diplomacy" effort was part of the broader "Project Democracy" announced by President Reagan in a speech to the British Parliament on June 8, 1982. In January 1983, Reagan signed NSDD-77, entitled "Management of Public Diplomacy Relative to National Security." Authored by Raymond, among others, NSDD-77 called for strengthening "the organization, planning, and coordination of the various aspects of the public diplomacy of the United States." Under NSDD-77, a cabinet-level "Special Planning Group" was created, with an executive committee composed of representatives from the Defense Department, State Department, and U.S. Information Agency. (One of the DOD representatives to the Public Diplomacy SPG was Craig Alderman, also a top DOD representative to FEMA and the "Continuity of Government" apparatus.)

Raymond also headed the interagency Central American Public Diplomacy Task Force, even before he assumed his new position in July 1983. Out of this came the creation of the Office of Public Diplomacy for Latin America and the Caribbean in the State Department (S/LPD). This office was created over the opposition of Secretary of State Shultz. Shultz's concerns were obviously well founded: Although it was located in the State Department, S/LPD reported to Walter Raymond at the NSC.

Shultz protests

Shultz wrote a memorandum to President Reagan on May 25, 1983, in which, according to the staff report cited at the beginning of this section, he tried to head off the creation of S/LPD. Shultz asked Reagan for a structure in which he would be Reagan's "sole delegate in carrying out your policies."

A memorandum was sent back to Shultz in the name of the President—although unsigned—which stated: "Success in Central America will require the cooperative effort of sev-

eral Departments and agencies. No single agency can do it alone nor should it." Attached was a chart, entitled "NSDD-2 Structure for Central America," which put the NSC between the President and the secretary of state, and which placed Bush's Special Situation Group on the same level as the NSC. This, as we identified above in the discussion of NSDD-2 and 3, marked the consolidation of Vice President Bush's control over covert operations policy.

S/LPD was headed by Otto Reich, a former Democrat who had become a "neo-con" Republican. Reich contracted out most of his work, particularly to International Business Communications (IBC), which became a subject of much examination during the "Iran-Contra" investigations. IBC then got busy placing op-ed pieces, feature articles, and letters-to-the-editor in major newspapers and magazines, without ever identifying that they originated in an official U.S. government agency.

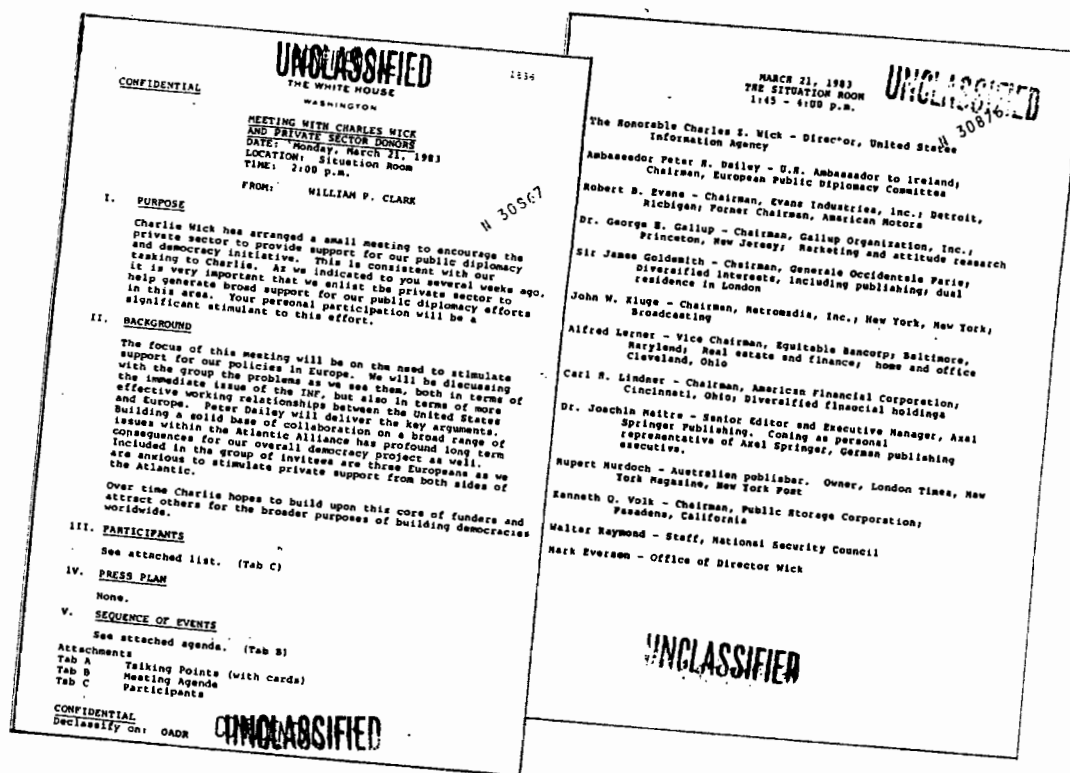
IBC also facilitated the transfer of funds raised by North and company (including by Roy Godson and Richard Mellon Scaife) to Swiss and offshore banks accounts.

Military psy-ops

Important insight into how the NSC Public Diplomacy operation worked is provided by a January 1986 memorandum from Reich to Raymond. Reich says that during 1985, five personnel from the 4th Psychological Operations Group of the U.S. Army had been detailed to S/LPD. Then Reich complained to Raymond that the Department of Defense had turned down his request for four more psy-ops personnel. At that time, the 4th Psy Ops Group, stationed at Fort Bragg, functioned under the Army Special Operations Command, which, in turn, was subordinate to the Joint Chiefs of Staff J-3 Joint Special Operations Agency—a favored and primary instrumentality for Bush's secret government apparatus. (The 4th Psy Ops Group was a regular recipient of military intelligence communications reporting on activities of the LaRouche movement in Europe and elsewhere.) Air Force intelligence personnel were also detailed to S/LPD.

The House Foreign Affairs Committee staff report stated that "Donald Gregg . . . presently national security adviser to Vice President Bush, initiated the recommendation which led to the assignment of the senior CIA covert operative [Raymond] to the NSC." The staff report then states that Raymond "was instrumental in facilitating the assignment of intelligence personnel from the Department of Defense to S/LPD and the expansion of State Department resources available to S/LPD despite objections to, and initial denials of, such requests by senior officials at the Departments of Defense and State."

Raymond's Public Diplomacy group also worked closely with Faith Whittlesey, later ambassador to Switzerland, who at that time was in the Office of Public Liaison in the White House, which was also engaged in trying to mobilize support for the administration's Central American policies.



Memorandum for the President from William P. Clark, March 18, 1983, drafted by Walter Raymond, along with talking points and a list of participants for the March 21 "private donors" meeting with the President. Participants included Jimmy Goldsmith, Joachim Maitre, and Rupert Murdoch (owner of the London Times and the New York Post).

When Raymond's deposition was taken by the Congressional Iran-Contra committee in 1987, Raymond was asked about his 1983 recommendation to hire Michael Ledeen (see Chapters 1 and 4). Ledeen had left the State Department in 1982 along with Haig, and Raymond wanted him back. Why? "He is a good writer," was Raymond's answer.

Public Diplomacy targets Europe

In a revealing, Jan. 25, 1983 memorandum, Raymond wrote that the President had signed NSDD-77, "solidly endorsing our course of action." He called the Public Diplomacy program "a new art form," and declared: "Programs such as Central America, European strategic debate, Yellow Rain and even Afghanistan have foundered by a failure to orchestrate sufficient resources & focus to these efforts." Raymond proposed that the public-private effort needed to be supplemented with "private funds," and he said that preparation was under way for a meeting of "potential donors" with the President. A broader donors' group was needed, Raymond wrote: "We can not, forever, rely on one or two good souls, such as Smith-Richardson or Mellon-Scaife."

The priority areas of concern listed in Raymond's memorandum were: European security and the Intermediate Nuclear Forces (INF) treaty, Central America, Afghanistan, and Yellow Rain. Although the Congressional investigations focussed most of their attention on Central America, the fact is that Europe, not Central America, was the primary focus of

the Public Diplomacy project at its inception. This sheds significant light on the targetting of LaRouche by this same group, which occurred simultaneously with the efforts documented in the records of congressional investigations.

On March 3, 1983, Raymond sent a classified memorandum to National Security Adviser William Clark proposing that the President meet with a group of potential funders of "public diplomacy" efforts. Raymond described two meetings that had already been held with "private sector" people. The group which Raymond described, just happened to include a number of individuals who were also directly involved in efforts against LaRouche, such as a representative of Richard Mellon Scaife, a representative of the Smith-Richardson Foundation (which later financed the Dennis King book slandering LaRouche), Leonard Sussman and Leo Cherne of Freedom House, and Roy Godson.

The meeting with President Reagan was held on March 21, 1983, and included Jimmy Goldsmith, Carl Lindner, Joachim Maitre (representing the German publisher Axel Springer), Rupert Murdoch, John Kluge (Metromedia), George Gallup, and Peter Dailey, then the U.S. ambassador to Ireland. The specific, stated purpose of this meeting was to deal with support for administration initiatives regarding European security and arms-reduction issues—hence the heavy European composition of the meetings. Archer Daniels Midland chairman Dwayne Andreas and David Rockefeller were described as already being "on board."

Raymond also submitted to National Security Adviser Clark a set of "talking points" for the President to use at the March 21 meeting. The talking points draft stresses the need to meet the Soviet challenge in Europe: "The Soviets—through their campaign of disinformation and propaganda—seek to convince the peoples of Western Europe that friendship with the United States increases rather than reduces the threat to their security." The document, presumably drafted by Raymond's office, says that the Soviets "are fighting on the ideological battlefields of Europe," and, "We must counter our adversaries." The next point recalls Reagan's speech to the British Parliament in June 1982, proposing to build the "infrastructure of democracy" with a combined government and private sector effort.

Other priorities

During the weeks following the March 21 donors' meeting, Raymond reported that Godson and Cherne had a number of follow-up meetings with the "private donors' " executive committee. Meanwhile, Raymond also turned to the second major focus of the Public Diplomacy project, which was Central America—i.e., support for the Contras.

A third, major focus of Public Diplomacy was Afghanistan, an area which intersected the Afghanistan Relief Committee of John Train and Leo Cherne. In 1985, Raymond initiated the creation of the Afghan Media Resource Center at Boston University, under the direction of the Dean of the School of Journalism, Joachim Maitre—a participant in the original March 21, 1983 donors' meeting. This became an item of great controversy at Boston University, and in Pakistan, in 1987. The NSC-U.S. Information Agency Public Diplomacy offices had frequent dealings with Train's ARC, according to USIA documents.

Another focus was Africa, in particular, support for the CIA-supported "freedom fighters" in Angola around Jonas Savimbi. In a number of memoranda written in May 1985, Raymond expressed his hope that a "Freedom Fighters International" movement could be formed, which would include the Contras, the Afghan resistance, Savimbi's forces in Angola, and so on. One memorandum, from Raymond and North, to National Security Adviser Robert McFarlane, expressed their hopes for the formation of this international coalition, which would be called the "Alliance for Liberation and Democracy."¹

1. The Raymond-North memo said that one Jack Wheeler "has been actively helping with the organizational work." During the Clinton administration, Wheeler surfaced as a regular writer for the *Strategic Investment Newsletter* of Lord William Rees-Mogg and James Dale Davidson. Wheeler put out the line in March 1995 that a brutal U.S. government assault on militia groups was being planned as a prelude to a declaration of martial law; Wheeler's fantastic prediction of a bloody "Waco 2" attack spread like wildfire among anti-government militia and separatist groups. In the summer of 1996, Wheeler accused President Clinton of responsibility for a string of murders in Arkansas and elsewhere, and suggested that Clinton deserved the electric chair.

C. The 'Train salon'

No later than April 23, 1983, the first meeting of the nascent "Get LaRouche" task force was held at John Train's Manhattan townhouse. This group of government officials, private journalists, financiers, and others became the coordinating center for the news media propaganda and slander campaign against Lyndon LaRouche. Known attendees or participants included:

- Richard Mellon Scaife, primary funder of Public Diplomacy, and of the Heritage Foundation; currently a major financial backer of anti-Clinton articles and tracts.

- Roy Godson, consultant to: NSC (Public Diplomacy), the President's Foreign Intelligence Advisory Board (PFIAB), CIA Director William Casey, and the U.S. Information Agency and its Director Charles Z. Wick; expert on "Soviet disinformation" and "active measures"; and longtime spy and informant against LaRouche. Godson's National Strategy Information Center (NSIC) is funded by the Richard Mellon Scaife and by the Smith-Richardson Foundation, among others; Prescott Bush is on the NSIC board.

- Mira Lansky Boland, ADL Fact-Finding Division, former DOD and CIA employee; worked closely with federal and state prosecutors against LaRouche and associates; she was later forced to testify about her attendance at the Train meetings in one of the Virginia LaRouche cases.

- Leonard Sussman, executive director of Freedom House; member of the national board of directors of the ADL; Public Diplomacy activist.

- Pat Lynch, NBC-TV producer; helped recruit government witnesses for prosecution against LaRouche.

- Sol Sanders, former editor of *Business Week*.

- Virginia Armat, former editor of *Reader's Digest*, personal editor to John Train.

- Dennis King, author of numerous articles and a book attacking Lyndon LaRouche.

- Michael Hudson, former consultant to Chase Manhattan Bank.

- Ellen Hume, freelance writer for the *Wall Street Journal* and other publications.

- Chip Berlet, associate of Dennis King; researcher and "expert" on Lyndon LaRouche and on various right-wing groups.

- John Rees, British subject, publisher of *Information Digest*; FBI informant and source; spoke to Nathan Hale Institute in 1985 about LaRouche, utilizing confidential grand jury information; testified against LaRouche to U.S. Commission on Civil Rights in May 1986.

- Rael Jean Isaac.

- Cleo Patrius.

- A number of individuals identifying themselves as "government connected."

The purpose of the campaign launched by the Train salon



Dennis King, at the Alexandria, Virginia federal courthouse for the sentencing of Lyndon LaRouche. Loudoun Times-Mirror photographer Douglas Graham (left). King was the hack-writer for the Anti-Defamation League who penned some of the most vicious fabrications against Lyndon LaRouche, on behalf of the "Train salon."

was twofold: 1) to break LaRouche's channels to the Reagan White House, and U.S. military and intelligence circles; and 2) to lay the groundwork for the prosecution and imprisonment, if not the assassination, of LaRouche.

The timing of the April 23, 1983, session of the Train salon is significant. On March 23, two days after the Public Diplomacy private donors' meeting described above, President Reagan stunned the world—and much of his own administration—by announcing the Strategic Defense Initiative, a global ballistic missile defense system based on new physical principles, which would make offensive nuclear weapons obsolete. The President's speech was the subject of an intensive battle within the White House, up to the last minute. The final version, with its offer of cooperation to the Soviet Union, and its rejection of the Kissingerian doctrine of "Mutual and Assured Destruction," signified that LaRouche's 1982 proposal had won out over the "High Frontier" school of Gen. Danny Graham and others who wanted a ballistic missile defense system limited to off-the-shelf technology, and absolutely without the offer of cooperation with the Soviets.

The Soviets quickly came to blame LaRouche for Reagan's SDI proposal.

The President's adoption of many features of LaRouche's proposal added urgency to a project against LaRouche which was already under way in 1982, particularly at the instigation of Henry Kissinger.

'Get LaRouche'

In August 1982, Kissinger wrote a personal note to FBI Director William Webster referencing LaRouche, followed up by a more formal letter from Kissinger's lawyer to Webster, asking the FBI to look into the LaRouche group. This was followed up by a much longer letter to Webster from Kissinger, dated Nov. 25, 1982, which demanded that the FBI take action against LaRouche. Kissinger argued that the LaRouche group may be a "disinformation campaign supported by some foreign intelligence service." Kissinger's letter was forwarded to Assistant FBI Director Oliver "Buck" Revell.

Meanwhile, a memorandum captioned "Lyndon LaRouche and the Executive Intelligence Review," drafted by the FBI head of counterintelligence, James E. Nolan, was being circulated. This memo, dated Sept. 24, 1982, stated that many of the activities of the LaRouche organization and the *EIR* "are often propitious to Soviet disinformation and propaganda interests." This was precisely the line being put out by Roy Godson and others in his circle. In a 1981 publication of Godson's NSIC, *EIR* was discussed in a chapter on "Soviet Covert Action."

At a Jan. 12, 1983, meeting of the President's Foreign Intelligence Advisory Board—of which Leo Cherne was the vice chairman, and Roy Godson a consultant—the issue of LaRouche was raised. (PFIAB is a White House agency established under Executive Order 12331.) David Abshire, a close associate of Kissinger, asked if there was any basis for investigating the activities of LaRouche's organization "under the guidelines or otherwise." The next day, FBI Director Webster asked Buck Revell for an update on LaRouche. Revell asked the FBI Intelligence Division for a report, which was provided to Revell on Feb. 1. The memo to Revell described LaRouche's views as the type which are normally associated "with the extreme 'right wing' of the political spectrum." It lifted sections directly from the Sept. 24, 1982 FBI memorandum described above, saying:

While many of the statements and policy positions of LaRouche's organizations dovetail nicely with Soviet propaganda and disinformation objectives, we have no firm evidence that they are being inspired, directed or funded by the Soviet Union or others foreign groups. . . .

In addition to its many publications, the LaRouche organization sponsors numerous seminars, conducts research and consulting services, and operates an expensive communications center. This has led critics to speculate that there is a secret source of funds behind LaRouche. We have no information to support this speculation, although it cannot be entirely discounted.

Out of the January 1983 PFIAB inquiry, two courses of action clearly emerged. One was a secret FBI investigation

and countermeasures under the provisions of Executive Order 12333. The second was the program of "private" countermeasures and black propaganda organized out of the Train salon meetings. The reader should recall that this was precisely the period in which Raymond and Godson were putting together the Public Diplomacy operation, and writing "talking points" for President Reagan about the need to counteract what they called Soviet "disinformation and propaganda."

It is thus of note that, according to one participant, Train insisted that LaRouche and his organization be characterized as "KGB," and that any indications of contacts between LaRouche and CIA officials be ignored.

The fight in the NSC

During the early years of the Reagan administration and the tenure of William Clark as national security adviser, LaRouche and his associates had numerous contacts and meetings with administration officials, including many in the NSC. One official with whom a number of such meetings took place was Richard Morris, Clark's executive assistant. Meetings with Morris and other NSC officials occurred in 1982 and 1983 on an almost weekly basis, and included discussions about anti-ballistic missile defense, Soviet relations, economics, the Contra issue, the national debt, bank indebtedness of countries in Central America, and South Africa.

(Years later, in 1988 and 1990, Morris was called as a defense witness in the trials of LaRouche and associates of LaRouche. Morris testified as to the existence of a vociferous opposition group within the NSC staff which opposed anyone having meetings with LaRouche and his associates. Morris testified that the most vocal opponents of LaRouche in the NSC staff were Walter Raymond, Kenneth DeGraffenreid, and Roy Godson. Morris characterized Godson as the most persistent critic, and testified that Godson had characterized Lyndon LaRouche as "as a socialist, as a communist, as a member of the KGB, as a fascist, and always he was an extremist.")

As a direct outgrowth of the Train salon meetings, in the following months, NBC-TV, the *New Republic*, the *Wall Street Journal*, the *Washington Post*, and *Reader's Digest* all ran lengthy ID-format slanders libelling LaRouche variously as a "neo-Nazi," a "KGB agent," an "anti-Semite," and a "political extremist." Behind the scenes, an immense pressure campaign was launched to shut down all of LaRouche's pipelines into the Reagan administration. The September 1983 resignation of National Security Adviser William Clark from his White House post was the first major public signal that the "Get LaRouche" effort had drawn blood.

In 1989, the New York publishing house of Doubleday issued a compendium of all the slanders in a nearly incomprehensible, book-length "unauthorized biography" of LaRouche, compiled by Dennis King, an active, low-level participant in the Train salon. King's book was financed by the Smith-Richardson Foundation—which, along with the Mellon Scaife Foundation, was the original sugar-daddy of

Walter Raymond's Public Diplomacy operation.

King's list of acknowledgments is a virtual "Who's Who" of the Train salon. The list includes NBC-TV's Pat Lynch, who "first cracked the story of LaRouche's White House connection"; the blue-blood Wall Street law firm of Cravath, Swaine and Moore; and, of course, John Train himself—the only time the Wall Street spook has allowed his name to be publicly cited in connection with the "Get LaRouche" campaign.²

Appendix

The Train salon, in the legal record

Following are pertinent excerpts from the motion for a new trial filed by attorneys for Lyndon LaRouche, William Wertz, and Edward Spannaus in federal court on Jan. 22, 1992. The sections below describe the operations of the Train salon and related matters. The motion was accompanied by six volumes of evidence, which are now on file with the U.S. Court of Appeals for the Fourth Circuit in Richmond, Virginia. Footnotes and citations have been omitted from the excerpts printed below.

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES)	
)	
v.)	Case No.
)	
LYNDON H. LaROUCHE, Jr.)	
WILLIAM F. WERTZ, Jr. and)	
EDWARD W. SPANNAUS)	

MOTION TO VACATE, SET ASIDE,
CORRECT SENTENCE UNDER 28 U.S.C. 2255,
OR, IN THE ALTERNATIVE,
GRANT A NEW TRIAL UNDER RULE 33
BY PERSONS IN FEDERAL CUSTODY

B4. The Prosecution Suppressed Evidence of Covert
Actions Against Petitioners Undertaken Pursuant to

2. Train's apparatus also surfaced in anti-LaRouche operations in 1994, when *Worth* magazine, in its July-August issue, printed an eight-page libel of LaRouche. Train is a financial columnist for the glossy monthly.

Executive Order 12333, or Otherwise.

* * *

64. Through pre-trial discovery and Classified Information Procedures Act (CIPA) procedures (see, e.g., Appendix 30, Request Nos. 42-44, 49-57, 76 and 79; Appendix 50, pp. 1-2), the defense sought proof of covert actions that had been conducted against them under the authority of Executive Order 12333, or otherwise. The Government never acknowledged any such actions nor provided any relevant discovery in this regard. The Government repeatedly ridiculed the defense for claiming such materials existed. Only after the trial and wrongful imprisonment did evidence emerge establishing the existence of actions against petitioners under Executive Order 12333.

* * *

68. The concealed evidence, in addition to the evidence otherwise set forth in paragraphs 48 through 63, identifies the ADL [Anti-Defamation League of B'nai B'rith], NBC, various journalists and others within and without the Government, as having engaged in successive assaults on LaRouche and his political movement, its financial base, policy initiatives, and influence with the goal of jailing LaRouche and other members, and destroying petitioners' political movement.

* * *

71. On May 24, 1990, Mira Boland, Washington, D.C. director of the Fact-Finding Division of the ADL, testified in *Welsh* [*Commonwealth of Virginia v. Welsh*] that she was present on behalf of the ADL at a meeting of New York financier John Train in New York City in 1984. Boland testified that Roy Godson, Dennis King, and NBC's Patricia Lynch were also present at that meeting.

72. Prior to the Boland testimony, petitioners had known of one meeting at Train's residence in 1983, which was called by Train to gather journalists to "coordinate national magazine pieces" and work with the Government to "deny you [petitioners] funding and tax exemption," but petitioners had been unsuccessful, for the most part, in discovering who was at the meeting or the degree of government participation in the defamation campaign subsequently conducted by the meeting's participants.

73. Following Boland's revelations in *Welsh*, subsequent investigations revealed that, in addition to Roy Godson, other individuals introduced as "gentlemen with a government connection" participated in meetings at Train's residence, planning counteractions against LaRouche; that at least three such meetings occurred in 1983 and 1984; that actions of the now-identified Train meeting participants continued through 1987; and that now-identified participants in the meeting had engaged in the past, and were engaging at that time, in government-directed propaganda efforts.

74. Roy Godson, at the time of the Train meetings, was a consultant to the National Security Council (NSC), performing classified work for CIA Director William Casey, a consul-

tant to the President's Foreign Intelligence Advisory Board (PFIAB), a contractor of the U.S. Information Agency, and also serving in other government capacities.

75. Godson and another now-identified Train meeting participant, Richard Mellon Scaife, were instrumental in obtaining private funding for propaganda activities undertaken by the National Security Council under the direction of Walter Raymond, pursuant to Executive Order 12333, in support of the NSC's foreign policy goals. These propaganda activities included disinformation activities conducted against opponents of those policies. Participants in the NSC's propaganda campaigns included the ADL, John Rees, and other now-identified participants in the Train meetings. Dennis King, whose actions against LaRouche during the time period of the conspiracy were central to both the government's "investigation" and the defamation campaign, received funding for these activities from the Smith-Richardson Foundation. This funding was arranged at a Train meeting attended by Godson and other government officials.

76. Richard Morris, Executive Assistant to former Reagan National Security Adviser William Clark, testified in *Welsh* that LaRouche and his associates met repeatedly with National Security Council staff to discuss policy concerns in 1982-1983, and that he believed some of the issues surrounding that collaboration were still classified. Morris identified Roy Godson, Kenneth DeGraffenreid, and Walter Raymond as the sources of efforts to discredit LaRouche and destroy his influence, when Morris was at the National Security Council.

77. Recently published works concerning former head of CIA counterintelligence James Jesus Angleton state that Angleton was approached by Henry Kissinger during this period to investigate "LaRouche and his finances." This investigation was characterized as a "vendetta" in the recent works about Angleton. Angleton was also in contact with NBC-TV reporter Patricia Lynch in her 1984 defamations of LaRouche.

78. John Rees and Eugene Methvin, both authors of defamations against LaRouche during the time period of the conspiracy and participants in, or collaborators of participants in, the Train meeting, also have multiple ties to law enforcement and the intelligence community. Rees has participated in infiltration and propaganda operations against his perceived political opponents and reports his actions to the FBI. Methvin has praised the ADL as the ideal "counterattack" group for private disinformation operations conducted in tandem with the Government.

79. The following actions against petitioners from 1984-1987 can now be traced to the Train meeting participants, functioning in tandem with the Government:

- A January 1984 *New Republic* article by Peter Spiro calling for the exposure and unmasking of LaRouche as an extremist;
- A January and March 1984 NBC-TV News pieces by

Patricia Lynch scandalizing LaRouche's numerous associations with individuals involved in the Reagan Administration and the intelligence community, and blithely claiming that LaRouche planned to assassinate former President Jimmy Carter by remote control television, ran a violent cult, and engaged in questionable fundraising, and calling for an IRS investigation;

- A November 1984 *New Republic* article by Dennis King and Ronald Radosh "exposing" LaRouche's contacts in the Reagan Administration; use by LaRouche for possible espionage purposes on behalf of a foreign power; and associating LaRouche with financial fraud and violence;
- Widespread dissemination of the March 30, 1984 edition of *Information Digest*, a publication authored by John Rees to law enforcement and intelligence community personnel and conservative political organizations throughout the United States, including Loudoun County, Virginia law enforcement officials, characterizing petitioners as a violent cult with questionable foreign ties and repeating the NBC-TV News "First Camera" allegations;
- A derogatory March 23, 1986 *Wall Street Journal* piece by Ellen Hume and a May 27, 1986 *Wall Street Journal* piece by Patricia Lynch and Dennis King containing leaks from the Boston grand jury investigation and other government investigations, and interviews with anonymous former NCLC members, whom King and Lynch call "defectors" and who became the government's witnesses in its investigations and trials;
- Widespread dissemination commencing in the spring of 1986 of an ADL pamphlet entitled "The LaRouche Cult: The Politics of Political Extremism," containing numerous defamatory leaks from law enforcement, and utilized by other journalists as part of an ADL campaign to "sink" the LaRouche movement;
- Two successive April 1986 NBC-TV National News broadcasts produced by Lynch, featuring re-broadcast of the most incendiary allegations from "First Camera" and government witness Forrest Lee Fick, claiming that LaRouche plotted the assassination of Henry Kissinger, numerous leaks from the secret

Boston grand jury investigation, and claims that the IRS had initiated a national investigation;

- NBC-TV News broadcasts in March and December 1986, claiming that LaRouche was associated with the assassination of Swedish Prime Minister Olof Palme. The December 1986 broadcast featured government witness Forrest Lee Fick making this claim, together with notebook references provided by Boston prosecutors allegedly buttressing Fick's claim;
- The August 1986 Eugene Methvin *Reader's Digest* defamation, entitled "Lyndon LaRouche's Raid on Democracy";
- Numerous additional derogatory articles that were published and disseminated and that quoted Train-meeting participants as their primary sources;
- A covert and overt campaign within the Reagan Administration and directed at national leaders and foreign leaders and governments to discredit LaRouche and to destroy his policy influence, through false and fraudulent allegations concerning alleged Soviet ties or control, alleged terrorist and mercenary activities in contravention of the neutrality laws, and similar defamations. Each of these allegations triggers the ability of the Government to utilize classified investigative techniques under the authority of E.O. 12333, including actions designed to "neutralize" the investigative target.

The intent and result of the dissemination of these falsehoods was to demonize LaRouche to the general public and to government officials in the United States and abroad, and to destroy the political and financial prospects of petitioners.

80. The fabricated assassination allegations continued through 1986, 1987, and 1988. In the spring of 1986, both the ADL and NBC-TV News featured allegations that persons associated with LaRouche were involved in the assassination of Swedish Prime Minister Olof Palme. During the Summer of 1986, Irwin Suall, Fact-Finding Director of the ADL, traveled to Sweden to exploit this story and wrote reports to the U.S. Government. Despite the discrediting of the LaRouche-Palme allegations by Swedish authorities, the story was run in December 1986 by NBC and the ADL. The Government participated in this new round of disinformation as well, leaking and mischaracterizing confidential notebook materials maintained in the exclusive control of Boston prosecutors.

The Goldsmiths and the new 'Murder, Inc.'

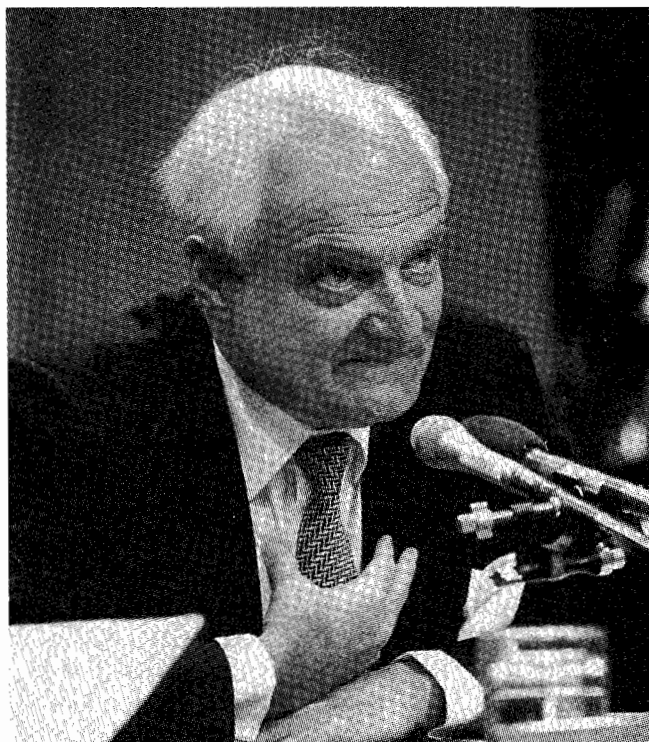
In late 1990, at a European conference of leading ecology activists, Edward "Teddy" Goldsmith, according to an eyewitness, was asked why his brother, Sir James "Jimmy" Goldsmith, was not also in attendance. Teddy replied that Jimmy had been planning to be there, but at the last minute, he had been called off to Washington by his "close friend" George Bush, then the President of the United States. Indeed, the Goldsmith brothers have been intimately involved in some of the nastiest of the secret intelligence programs, under Bush's direction, since the early 1980s, including the Public Diplomacy operation in the United States, and Operation Lock in South Africa.

Jimmy Goldsmith was well-prepared for his participation in the Public Diplomacy operation, which was linked to John Train: Already, in the late 1970s, Sir Jimmy was spreading the line that Lyndon LaRouche's wife, Helga Zepp LaRouche, was "KGB." CIA Counterintelligence chief James Jesus Angleton claimed that he had first picked up this disinformation line from Goldsmith.

Sir James Goldsmith (born Feb. 26, 1933) and Teddy Goldsmith (born Jan. 16, 1928) were the sons of Col. Frank B. Goldsmith (Order of the British Empire; Territorial Efficiency Decoration; Member of Parliament, Conservative, for Stowmarket, Suffolk) and Marcelle Mouillier. One of the reasons they are so well-suited for building the British-French "Entente Bestiale," is that they had a British father and a French mother.

In 1928, while on the board of the exclusive London hotel Claridges, Col. Frank Goldsmith founded Hotels Reunis, a company which eventually owned 48 hotels in France. These included some of the most important hotels in Paris and Monte Carlo. When, in the 1940s, the Nazis were poised to take over France, the Goldsmith family left France on the same freighter as did Evelyn de Rothschild, their cousin who now heads N.M. Rothschild & Sons, Ltd. They ultimately arrived in the Bahamas, to which the Duke of Windsor had just been shanghaied by the British government and made governor general, in order to keep him from further intrigue with Adolf Hitler. Colonel Goldsmith and his French wife became part of the Duke and Duchess of Windsor's "set." While the family had its wartime base in the Bahamas, the boys were kept in St. Andrews College, in Ontario, Canada.

Teddy then attended Magdalen College, Oxford. Jimmy never went beyond Eton. Their close friend at the time was John Aspinall, a professional gambler with whom Jimmy, especially, used to gamble. By unknown means, Aspinall



Sir James Goldsmith, a British financier and Rothschild cousin, who took over Operation Lock in 1990, following the death of Sir David Stirling. Pictured here at a Senate hearing on GATT and the world economy.

launched a posh casino in London. According to a knowledgeable former member of the British Secret Intelligence Service, Aspinall had ties to Meyer Lansky. He later used some of his casino profits to fund Teddy's run for Parliament in 1974 on the Ecology Party ticket, and for the European Parliamentary elections in 1979. Aspinall also helped fund some of Teddy's pocket zoos and game preserves, before Jimmy turned over much of his fortune to the Goldsmith Foundation to do the same.

A bigger crook than Michael Milken

Jimmy Goldsmith made most of his multibillion-dollar fortune in the United States using the same kinds of leveraged buyout, junk bond, and "greenmail" schemes identified with Michael Milken, with whom he often worked in tandem. Jimmy entered the United States in 1973, with the assistance of Wall Street financier and British SIS station chief Arthur Ross—who, only a few years later, would become involved in political intelligence operations against Lyndon LaRouche. In 1973, Jimmy bought 51% of the Grand Union supermarket chain in the United States through his Cavenham Ltd. company, which had a subsidiary in France. Grand Union was purchased by Jimmy for only \$62 million, with the assistance of Ross.

Ironically, in 1985, before he went to work with his brother Teddy almost full-time on ecology schemes, Jimmy

had taken over Crown Zellerbach Corp., an American forest products company with vast timber reserves. Jimmy was then the sixth-largest exploiter of timber lands in Washington, Oregon, Louisiana, and Mississippi. He swapped these timber holdings for Lord Hanson's gold shares in Newmont Corp.

Jimmy announced his "retirement" from business in the early 1990s, after he and Jacob Rothschild failed in their \$20-billion-plus attempt at a leveraged buyout of the British American Tobacco company.

With his retirement from business, Jimmy started selling off his shares of Newmont, such that, as of 1990, his holding had dwindled to 17%; international speculator George Soros acquired 20%. The other holders in Newmont included an associate of Jimmy's and Soros's, Lord Jacob Rothschild, and Lee Kai Shing, the narcotics-trafficking "Red Fat Cat" of Hongkong Shanghai Bank. (He was replaced there by one of his sons, who owns 10%.) Lee Kai Shing is allegedly the piggy-banker, through whom Conrad Black's Hollinger Corporation was able to afford the purchase of the Telegraph PLC and the *Jerusalem Post*. Jimmy is still an advisory board member of Hollinger.

Jimmy remains on the board of Jacob Rothschild Holdings, which gives him several significant connections. First, a fellow board member is Lord William Rees-Mogg, the former editor of the London *Times* and current publisher of numerous newsletters and newspaper columns; Rees-Mogg is the British SIS point man for the Club of the Isles efforts to destroy the U.S. Presidency and President Clinton, through slander and innuendo.

Second, Jacob Rothschild Holdings is the holding company for St. James Capital, whose top executives include Nils Taube, a longtime partner in crime with Soros and a board member of Soros's multibillion-dollar Quantum Fund NV, based in the Netherlands Antilles. Jacob Rothschild is the son of Lord Victor Rothschild, who had been affiliated with, and a protector of, the British "triple agent" network of H.A.R. "Kim" Philby et al., and particularly of Anthony Blunt, who worked as Surveyor of the Queen's pictures. Lord Jacob Rothschild's sister Emma had been Swedish Prime Minister Palme's mistress at the time of his assassination. Some members of SÄPO, the Swedish intelligence agency, thought that this liaison represented a national security danger because, whether or not Emma was a party to the murder, her trysts with Palme put the prime minister at risk, especially because Emma could be easily surveilled. But, Swedish authorities refused to allow SÄPO to interview Emma Rothschild.

The Gaia myth and eco-fascism

The Goldsmith brothers have both formed delphic anti-united-Europe political parties in France and in the British Empire, which have created a Jacobin movement by ostensibly opposing the economic austerity of the Maastricht Treaty. The French party, *L'Autre Europe*, founded with Jimmy's money, peddles an eco-fascist belief structure, based on

brother Teddy's Gaia (Earth Mother) "spirituality," which Teddy started peddling with his *The Blueprint for Survival* in 1972. *L'Autre Europe* helped stir up near-riots during the recent elections in France.

Jimmy has just founded a Referendum Party in the U.K., which is calling for a referendum on whether Britain should be part of Maastricht; his party is lambasting Prime Minister John Major, and helping to bring the corporatist fascist Labour Party of Tony Blair into power.

Although the Goldsmith brothers appear to be offering an alternative by their opposition to Maastricht, the General Agreement on Tariffs and Trade, and the North American Free Trade Agreement (on ecological, rather than anti-free-trade, grounds), they also oppose a "Marshall Plan" approach for massive infrastructure-building in eastern Europe, on the basis that the people there are too corrupt and stupid. Teddy published a book in 1992 arguing against large infrastructure projects, on the grounds that they destroy the environment.

In 1972, Teddy wrote *The Blueprint for Survival*, which, along with the *The Triple Revolution*, became one of the bibles of the eco-fascist counterculture. Teddy talked about eliminating cities in favor of small, "self-sustainable" villages, and various other schemes related to what Jimmy later used in his *L'Autre Europe* campaign against Maastricht. Since Jimmy went "green" circa 1990, he not only expanded his Goldsmith Foundation to finance his and his brother's ecological projects, but he has been using ecology arguments for his political activities, as in his book *Le Piège (The Trap)*.

Teddy has been one of the main promoters of the Gaia "religions," in order to spread eco-terrorism. According to a source at the Gaia Foundation, Jimmy is now one of their leading funders. The Gaia Foundation works directly with Prince Philip and Charles, Prince of Wales.

Teddy is publisher and editor of *The Ecologist*, which is influential among the ecological movement. Already in 1983, Teddy had devoted the major space in *The Ecologist* to an article entitled "Gaia: An Ancient View of Our Planet." It stresses how Gaia will crush in the most brutal manner anyone who interferes with nature.

Except for the Goldsmith brothers' current aversion to nuclear energy, there is little difference between the arguments of Teddy in *The Blueprint for Survival* and Jimmy in *The Trap*. In the latter, Jimmy proposes "a society flush with villages, small artisans, a multitude of small and medium-size enterprises opening up a wide spectrum of activities." He advocates "non-intensive agriculture," together with a society "based on local development rather than urban concentration," which he says will engender a rebirth of spirituality and holiness. He claims that the future must rely upon "renewable resources," and calls for a "reduction in electricity consumption." For example, he prescribes a 55% reduction of energy use in the United States.

Since his "retirement" from business, Jimmy Goldsmith's main residence has been a hacienda with thousands of acres in eastern Mexico, which he calls an environmental preserve.

The Olof Palme assassination and coverup, revisited

Swedish Prime Minister Olof Palme may very well have signed his own death warrant, when, on Sept. 29, 1985, Swedish Customs officials raided the Malmö offices of arms broker Karl-Erik Schmitz, and seized thousands of pages of documents, detailing the activities of a global arms and munitions cartel, operating on both sides of the Iron Curtain, that was responsible for, among other things, funneling billions of dollars of war matériel to Iran and Iraq, to the Nicaraguan Contras, and to terrorist groups all over the globe.

The raid occurred more than a year before the unraveling of the misnomered "Iran-Contra" scandal, at the peak of the Reagan-Bush administration's arms-for-hostages dealings with the Khomeini regime in Iran, and its violations of the Boland amendments, forbidding the administration from arming the Nicaraguan Contras.

And, while the raid on Schmitz's offices did not grab global headlines, as did the Oct. 5, 1996 crash of a Contra supply plane over Nicaragua, it nevertheless sent shockwaves throughout the highly insulated world of the "munitions cartel," the inner circles of the George Bush-led White House "secret parallel government," and allied western and eastern European governments and private financier factions—the self-described "Club of the Isles."

The Malmö raid broke the hermetic seal that had, up until that moment, protected a multibillion-dollar underground economy, trafficking in weapons, drugs, precious metals, and other commodities across the East-West divide. And, while Palme was himself a part of that structure, and was personally committed to assuring that the Swedish branch of the "explosives cartel" was not deprived of its share of the action, the raid placed Palme in the untenable position of having to square his public identity as the chief enforcer of the United Nations' arms embargo on the Iran-Iraq War belligerents, with his insider role in the global arms bazaar.

Businessman Karl-Erik Schmitz put it succinctly, in a press statement he issued in November 1987: "Everyone has kept this secret until the Swedish Customs went in like an elephant in a porcelain shop and destroyed it." Olof Palme was held personally responsible for that raid, regardless of whether it was a willful act on his part, or merely a blunder.

Perhaps most damning—for Palme, George Bush, Margaret Thatcher, and the Club of the Isles—the raid turned up

extensive evidence that at least one high-ranking official of the East German communist party (SED), Alexander Schalck-Golodkowski, was an integral part of the Western "munitions cartel," and a prime distributor of weapons to both sides in the Iran-Iraq War, and to the U.S.-backed Contra forces, battling against one of the Soviet bloc's most strategically situated client states, Sandinista Nicaragua.

Schalck-Golodkowski, known among his SED colleagues as "Big Alex," had been deputy foreign trade minister, in the dictatorship of Eric Honecker, since 1967, heading a unit called the Department of Commercial Coordination (CoCo). Schalck reported personally to Honecker and to the Central Committee of the SED. He was a recipient of two of the highest awards given by the East German state, the Order of Karl Marx (1982) and the Great Star of People's Friendship (1984).

At the heart of Schalck's empire was IMES Import-Export GmbH, based at the International Trade Center on Friedrichstrasse in East Berlin. The firm ran the lion's share of East Germany's trade with the West, and accounted for over 50% of East Germany's hard-currency earnings.

As the documents seized in the Malmö raid first revealed, Schalck's IMES warehouses near the East German port city of Rostock, were a crucial way-station on the underground railroad of weapons and explosives, into the Persian Gulf, southern Africa, and Central America.

In a typical transaction, revealed in the documents seized at Schmitz's Scandinavian Commodities AB offices, during the Sept. 29, 1985 raid, the Swedish explosives company, Bofors-Nobel, would deliver a shipment of military gunpowder, falsely labeled as "industrial chemicals," to the Austrian firm Dynamit Nobel Wien GmbH. Often, these shipments were handled by a Finnish company, Sevico Oy, which had specifically hired a Bofors-Nobel executive, Thorbjorn Evardsen, in 1981, to handle these "special deliveries." Once the powder arrived in Austria, it would immediately be re-exported, across the East German border to Furstenburg, and then on to the IMES depot outside of Rostock. For a large fee, IMES would then re-label the Swedish gunpowder as an East German product, and ship it to Iran.

In addition to the Rostock route, Bofors-Nobel had, during the 1980s, established other smuggling routes into Iran,

via Singapore, and through other European countries, including Italy and Yugoslavia. Often, the Italy route involved the use of phony end-user certificates, showing that the gunpowder was actually destined for African countries. This brings us full-circle, back to the Ricci networks in the Seychelles Islands and in the Republic of South Africa, with its ties to the Italian underworld and the Propaganda-2 (P-2) lodge.

Karl-Erik Schmitz had first gone into the explosives business as a by-product of his long-standing ties to Iran, in the oil business. Schmitz had been involved in oil-for-munitions deals involving Iran and South Africa, even prior to his dealings with Bofors-Nobel.

Safe to do business again

The assassination of Olof Palme apparently relieved a certain amount of anxiety, over the danger of further unwanted revelations about the activities of the arms and munitions cartel, and its East German and Soviet "business partners." The raid on Schmitz's Malmö offices had come at a particularly bad moment, when the Reagan administration had formally approved covert arms shipments to Iran, and when the activities of the Bush-North apparatus were at their zenith.

On April 28, 1986, two months to the day after the Palme killing, two prominent Bush-North operatives, Albert Hakim and Tom Clines, traveled to Copenhagen, Denmark, to set up a new series of front companies, to manage both the Iranian arms deals, and the continued supply of weapons to the Contras, the Afghan mujahideen, and so on. Clines, a former CIA officer who had worked closely with Theodore G. Shackley, the CIA's one-time deputy director of operations, and was now a major player in the Bush-North "Enterprise" of off-shore "private" front companies, had arranged the Scandinavia trip, to reactivate a longtime asset, Tom Erik Parlow, a Norwegian by birth, who was an expert in shipping sensitive cargos of arms and explosives. Parlow and his Danish partner, Svend Andersen, ran a string of Copenhagen-based shipping companies which chartered small cargo ships to make international arms deliveries, especially to the Middle East and the Persian Gulf.

A week after the Clines-Hakim visit, on May 6, 1986, a Danish vessel, the *Pia Vesta*, which had been chartered by Parlow and Andersen's company, S.A. Shipping, was loaded with tons of weapons and other heavy military equipment at the port of Rostock. The arms had come from the IMES warehouses. Final destination: the Contras.

During the same visit to Copenhagen in late April 1986, Clines and Hakim had also arranged, through Parlow and Andersen, to purchase their own ship, the *Erria*, via one of the Panama-based "Enterprise" front companies, Dolmy Business, Inc. Both the *Pia Vesta* and *Erria* stories were probed by Iran-Contra special prosecutor Lawrence Walsh, and were linked to the illegal Bush-North supply operations.

According to the 1993 Final Report of the Iran-Contra

Independent Counsel (the "Walsh Report"), Clines "had developed significant contacts with arms dealers in Western Europe and behind the Iron Curtain." Clines "oversaw the logistics of purchasing weapons from private suppliers in Europe and arranging for their delivery to Central America."

But, the question of the assassination of Olof Palme, and the linkage between the East-West arms pipeline and that murder, was far afield from Walsh's narrow mandate.

The decade of deception

From the very moment that Palme was assassinated, late on the evening of Feb. 28, 1986, a vast disinformation campaign was launched, to obscure whatever viable leads might have existed in the early moments of the probe. Palme was shot in the back at close range; his wife was also hit, but only slightly wounded, and the assailant escaped into the darkness. On the night of the killing, security around the prime minister and his wife was sparse, purportedly at Palme's request. The issue of the security stripping was itself never adequately taken up.

Stockholm's Police Chief Hans Holmér, who was the former head of the national police agency, SÄPO, immediately took charge of the investigation, over the protests of some of his former SÄPO colleagues, and officials of military intelligence. As a longtime fixture within the most pro-Moscow wing of the Social Democratic Party (SAP) "mafia," Holmér was not trusted by many professionals. He proved his critics right from the very start of the probe. He exerted dictatorial control over the 300-person "Palme Task Force," and restricted access to the centralized data base of leads to a handful of his most trusted political allies.

This power play, as long as it lasted, gave Holmér the opportunity to use the probe as a political weapon for targeting enemies of the Social Democracy, starting with the European Labor Party (EAP), a lawfully registered Swedish national political party, philosophically tied to U.S. Democratic Party figure Lyndon LaRouche. Several years before the Palme assassination, in his capacity as police chief of Stockholm, Holmér had refused to provide security protection for Lyndon LaRouche, thus preventing the American political economist from attending an economics symposium, which he had been invited to address. At the time, LaRouche was under threat from West German terrorist groups, and could only travel in Western Europe, where there was cooperation with local or national police.

As you will learn below, the scapegoating of the EAP and LaRouche for the Palme murder was a strategic move, involving the Stasi, the KGB, the Anti-Defamation League of B'nai B'rith (ADL), NBC-TV, and elements of the European social democracy—as well as Holmér. As in all strategic political assassinations, the authors of the Palme murder pre-planned the coverup, at the same time they were preparing the crime. And from that standpoint, Hans Holmér was the crucial "Mr. Inside," who made the coverup stick.

MEMO TO THE FILE --- ~~SECRET~~ AND SENSITIVE

DATE: May 1, 1986

A day or two ago one of my political officers had a conversation with a very well-known British businessman, Tiny Rowland. Rowland is the madcap rogue who is CEO of Lonrho, which controls everything from mines in Africa to the Princess Hotel in Bermuda. His business is politics -- especially in Africa -- as well as business.

Tiny told our man he had a meeting last week in London with the following people:

- (1) Amiran Nir (pronounced Near), Prime Minister Peres' "counter terrorism" adviser. Bob Oakley sees a lot of Nir.
- (2) Adnan Khashoggi, a Saudi businessman.
- (3) Manucheh Ghorbanifar, an Iranian.

Rowland has played numerous games with Khashoggi over the years. He set up the session. Nir said they want Lonrho, which has its own aircraft, to be an umbrella company for various shipments to Iran for: (1) grain, (2) spare parts, and (3) weapons from countries as far away as China.

Nir and Khashoggi told Rowland the stuff would all go through a third country -- with "end-user" certificates for that country. The government of that country is on board.

Rowland will get 7.5% of the total value of the merchandise, if he joins up. (Nir said a number of businessmen are playing the game.)

Nir told Rowland the arrangement is OK with the Americans. He said:

- it has been cleared by the White House, but only four people know about it;
- Poindexter is the point man;
- no one at the State Department knows about it.

~~SECRET~~ AND SENSITIVE

ONDR -2-

Rowland also told our guy:

- he checked with David Kimche, Director General of Israel Cabinet (pronounced Kimxy) -- whom Rowland has done a lot of business with in Africa. Kimche said the scheme is for real; Nir speaks for the Israeli government, at least as long as Peres is around; Rowland says Kimche told him privately he finds the whole thing distasteful.
- Rowland checked it with ^{official} who said it is for real and will get 10%.
- Rowland is not inclined to get involved but, if it is our operation, he would reconsider.

FILE: SPAG 10 WHITE HOUSE COMMUNICATIONS AGENCY

TO: NSOLR --CPNA OLIVER NORTH

FROM: JOHN POINDEXTER

SUBJECT: IRAN

Charlie Price called me with a wild story tonight. A Bob Frasure on Price's staff met with Tiny Rowland, a British shipbroker. Tiny said he met this week with Nir, Khashoggi and Ghorbanifar. Nir wanted to use Tiny's company Lonrho to provide management for a large scale program to sell grain, military spare parts and weapons to Iran from countries as far away as China. Khashoggi claimed that 50% big money was involved and showed Tiny receipts for large scale transfers of cash to Swiss banks. Nir said the scheme ran on with the Americans and only four people in the White House were involved and I was the point man. The scheme was involved and weapons and spare parts would be channeled through the third country which was fitting and would get 10%. Nir said cut Tiny in for 7.5%. Tiny checked this out with ^{official} and he confirmed it. Tiny also called Kimche and she also confirmed it.

I told Charlie that there was only a shred of truth in this and the US connection was highly distorted. Tiny told Frasure that he didn't like the deal and did not want to get involved unless it was an American operation. I told Charlie advising him not to get involved.

What is the hell is Nir doing? We really can't trust these SOB's.

NSG FROM: NSJAP --CPNA TO: NSJIT --CPNA
TO: NSJIT --CPNA SENIOR JAIL OFFICE

05/03/86 22:20:30

~~SECRET~~

State Department memorandum reporting on a meeting with Tiny Rowland, in which Rowland said he was meeting with Amiran Nir, Adnan Khashoggi, and Manucheh Ghorbanifar. Nir wanted Lonrho to handle shipments to Iran, and says that the arrangement has been cleared by the White House, but only four people know about it, and that no one at the State Department knows about it.

The second document is a "PROF" (White House E-mail) message from John Poindexter to Oliver North, in which Poindexter relates a "wild story" from Charles H. Price, the U.S. ambassador in London, about the meeting that one of his aides, Bob Frasure, had with Tiny Rowland. Poindexter is obviously irritated that Nir is talking too much, and he says: "What the hell is Nir doing? We really can't trust these SOB's."

North replied to Poindexter that he had briefed Poindexter a month earlier on the transactions, and that Ambassador Price had been given a "cover story" to mask the arms-for-hostages deals which North and other U.S. officials were directly involved in. North left the next day for London to meet Nir and Ghorbanifar.

Holmér did not have to search very long for allies in his quest to blame the Palme assassination on the EAP. Within 24 hours of the murder, Soviet Central Committee member, and prime "America watcher," Georgi Arbatov, the co-founder of the Palme Commission and head of Moscow's U.S.A.-Canada Institute, told Swedish reporters, "I do not know who killed Palme, but I know all too well who hated him. . . . I saw demonstrations against him by fascist hooligans, inflammatory articles, and provocations. Reaction loathed Palme." Following Arbatov's initial remarks, a number of Swedish Social Democratic newspapers ran stories naming the EAP as being the prime suspect in the Palme killing, based on leaks from Holmér's office.

On March 12, 1986, Holmér's team arrested 33-year-old Viktor Gunnarsson, as a suspect in the Palme murder. Based

on evidence presented by police, Stockholm Chief Prosecutor K.G. Svensson ordered Gunnarsson detained. However, a week later, on March 19, over the strenuous protests of Holmér, Svensson ordered Gunnarsson released from custody. Holmér was so furious that he banned Svensson from access to the "Palme Room," the central repository of all of the evidence in the murder probe.

But, based on the Gunnarsson detention, the Swedish, American, and other European press went wild, printing false accusations that Gunnarsson was a member of the EAP, and that the detention of Gunnarsson meant that the EAP track of the investigation had struck pay-dirt. By now, the international network of enemies of LaRouche were working overtime to stoke the disinformation line that "LaRouche killed Palme." Further details of this disinformation effort are pro-

vided later in this chapter, and in an appendix that immediately follows.

By May 1986, Holmér's bungling of the Palme murder probe had triggered an avalanche of protests by Swedish police and prosecutors. On May 9, 1986, the Swedish daily *Expressen* published a series of statements by leading police officials, denouncing Holmér. One SÄPO official declared: "I cannot cooperate with an amateur. Therefore, there is no longer any reason for me to talk to the police chief." Referencing the Gunnarsson track, which Holmér continued to pursue—despite the fact that Gunnarsson's links to the EAP were bogus, and despite the fact that Gunnarsson had established that he was nowhere near the scene of the Palme murder—another top police official involved in the probe declared, "The more we dig into the case of the 33-year-old, the more our suspicions seem unfounded." It later was revealed that the only so-called eyewitness who claimed he had seen Gunnarsson near the scene of the murder, had been shown a picture of Gunnarsson in advance of the police lineup. In short, the witness had been manipulated by someone on Holmér's team.

On May 16, 1986, the conflict between Holmér and Svensson reached a crisis point. The prosecutor issued a statement, documenting that the case against Gunnarsson, as assembled by Holmér, was bogus. Svensson itemized six different facets of the Gunnarsson probe that had violated standard police procedures. He cited at least one more instance, in which Holmér's men had attempted to manipulate testimony by showing potential witnesses photographs of Gunnarsson, prior to his appearing in a police lineup.

Svensson was so angry that he added a personally signed addendum to his office's release, which stated, in part, "The suspect [Gunnarsson] could have been removed much earlier from the murder investigation, if the leadership group in the Palme case . . . had not disrupted and prevented rational work from the side of the prosecutor. In my view, the suspect has been subject to a grave violation of his rights."

Nevertheless, by this time, much of the damage had already been done, in several respects. First, nearly two months of investigative work had been washed down the drain, as the result of Holmér's apparent "obsession" with the Gunnarsson-EAP track. Second, Stockholm had been invaded by "Get LaRouche" activists, led by the ADL's Irwin Suall, fanning the propaganda war against the EAP. For the next year, teams of Swedish police investigators criss-crossed the Atlantic, seeking leads that might link the LaRouche political movement to the Palme murder, and revive the thoroughly discredited "LaRouche killed Palme" track.

In the meantime, in the United States, the propaganda arm of the "Get LaRouche" drive was being led by Wall Street banker John Train, a business associate of Erik Penser, the majority shareholder in Bofors-Nobel, and an asset of the George Bush White House intelligence structure.

The biggest complaint directed against Holmér and his "Palme team" by competent Swedish police and military

counterintelligence officials, was that viable avenues of investigation had been ignored, or prematurely shut down, on the basis of political considerations. For example, leads had surfaced early on, suggesting a possible South African connection to the Palme assassination, based on statements volunteered by Swedish citizens, who were privy to the links between certain right-wing Swedish activists and the South African anti-apartheid spy teams. Other leads had suggested that networks of the Kurdish Workers Party (PKK), a narco-terrorist group active in Sweden, with strong ties to the Soviet KGB, may have been involved. All of these investigative tracks were shut down, or never even explored, until years after the trail had turned ice cold.

Moscow knew

The first really dramatic break in the investigation, ironically, came on the eve of the collapse of the Berlin Wall and the fall of the Soviet empire, on Aug. 24, 1989. The Swedish daily *Expressen* reported that a special electronic surveillance unit of SÄPO had bugged the home and office telephones of a Soviet diplomat, suspected of being a KGB agent, between spring 1985 and 1987. On the night of Olof Palme's murder, several hours before the shooting, the Soviet official had held a phone conversation, in which he made reference to Palme's imminent death.

The tape of the conversation had been translated into Swedish by a special team of Russian language experts, who concluded from their review of the voice intonation and other analysis, that "the Soviets had both initiated and carried out the murder." A subsequent review by members of the SÄPO team conducting their own investigation of the Palme murder drew a less definitive conclusion. However, they, too, came away convinced that the Soviet official who had been bugged "at the very least, knew about the fact that Palme was to be murdered."

For reasons that still remain a mystery, SÄPO officials did not pass the information about the bugging on to the Palme investigative unit, or even to the minister of justice, until March 1988! And the public revelations, in *Expressen*, did not come until 17 months later. According to several news accounts, following the original *Expressen* story, the decision to conceal the bugging tapes from other Swedish government officials was made by SÄPO's operational chief, P.G. Naess. Naess subsequently came under suspicion of being a KGB agent or asset.

Ironically, in the United States, with the exception of *EIR*, the only other coverage of these startling revelations about Soviet foreknowledge of the Palme murder, came in the *Washington Inquirer*, a conservative weekly loosely affiliated to the *Washington Times*. In a front-page article on Sept. 8, 1989, Reed Irvine, the head of a neo-conservative media watchdog group, Accuracy in Media, cited the Soviet disinformation efforts against Lyndon LaRouche. Quoting Zdzislaw Rurarz, a former Polish ambassador who had defected in

Tokyo in 1981, Irvine noted that there were always suspicions that the Soviets were behind the Palme assassination. Ruraz "pointed out that they [the Soviets] had produced a very slick film that was shown throughout Europe that put the blame on the CIA and the Lyndon LaRouche organization to divert attention from their own culpability."

As we saw in Chapter 1, there were also indications that some Western circles had also possibly known, in advance, that Palme was about to be eliminated. Francesco Pazienza had claimed that P-2 Grand Master Licio Gelli had informed Republican National Committee official Philip Guarino that the "Swedish tree" would soon be felled, 72 hours before the murder of Olof Palme. Whether the Gelli story is accurate or not, the close East-West cooperation in the coverup of the Palme assassination lends great credence to the idea that Palme's murder was a "derivative assassination," approved in advance by leading circles in both the East and West. This is the only explanation for the intimate collusion between the likes of Georgi Arbatov; the John Train salon, working out of the Bush-North national security structures in Washington; and the Swedish police investigators, nominally charged with catching Palme's killers.

Schalck flies the coop

Several months after *Expressen* broke the story about the bugging of the KGB resident in Stockholm, Alexander Schalck-Golodkowski quietly slipped out of East Germany, seeking asylum in the West. After a brief stopover in West Berlin on Dec. 6, 1989, Schalck was whisked off to Langley, Virginia, where he was taken under the protection of the CIA. By this time, George Bush was President of the United States.

Schalck's vanishing act was first reported in the West German daily *Bild Zeitung* on Feb. 21, 1990, approximately two weeks after Schalck arrived in Langley for "debriefing." On Feb. 22, 1990, one of Schalck's most important colleagues inside the East German intelligence bureaucracy, Markus Wolf, fled to Moscow. Schalck's departure was provoked by the storming of one of his major storage facilities at Kavelstorf, just outside of Rostock. An angry mob of East German citizens, accompanied by television camera crews, had entered the compound in the early days of December 1989, and had gotten hold of some of the most sensitive documents, detailing Schalck's worldwide arms-trafficking operations, before they could be destroyed or whisked out of the country into friendly hands—in Cuba, Romania, or the Soviet Union.

On Dec. 5, 1989, as a result of the storming of the Kavelstorf compound, the new, post-Communist East German government had issued an arrest warrant for Schalck, on embezzling and illegal arms-smuggling charges.

Another Stasi agent steps forward

Schalck-Golodkowski's "defection" and Markus Wolf's simultaneous flight to Moscow in late 1989-early 1990, put a damper, albeit temporary, on serious new revelations about

the East-West illegal arms trafficking of the Cold War era. As you shall read in the next chapter of this report, the number of mysterious deaths of prominent figures during the final days of the Cold War, was also mounting.

Efforts by several West German Bundestag (parliament) members to pry loose new details about Schalck's CoCo apparatus, and Schalck's relations with his not-so-new "American friends," were systematically blocked by the government of Chancellor Helmut Kohl. After all, U.S. President Bush was ostensibly backing his drive for German reunification, against the strong protests of Margaret Thatcher and French President François Mitterrand, and the opening of the Schalck files would only bring down a torrent of scandals on every Western leader involved in the secret wars of the 1980s—especially on George Bush.

But, in August 1992, another important former East German Stasi official "came in from the cold," and he provided crucial proof that the East German secret police had been working overtime to abet the U.S. "Get LaRouche" operation, while subverting the Swedish probe into the death of Olof Palme.

In the Aug. 20-26, 1992 issue of *Journalisten*, the weekly publication of the Swedish Journalists Association, former East German Stasi officer Dr. Herbert Brehmer admitted that the Stasi was responsible for the disinformation that "LaRouche killed Palme." In two subsequent half-hour national radio broadcasts in Sweden, aired on Aug. 29 and Sept. 1, 1992, Brehmer elaborated on what he revealed in the article.

Brehmer wrote that "Department X was assigned the task of getting involved in the Swedish police investigation" immediately after the Palme murder. Department X was the Stasi unit in charge of foreign language "active measures," including "disinformation." The unit had been devised by East Germany's foreign spy chief, Markus Wolf, modeled on the Soviet KGB's "Desinformatsia" department.

"At my desk," Brehmer said, "I drew up the outlines of how the EAP theory would be conduited into the Swedish police investigation. The plan was to have a national Swedish newspaper receive an anonymous telephone tip-off. It was to happen already during the week after the murder. . . . As an alternative, the information would go directly to one of the special tip-off phones made available by the police. The content would be along the lines that the caller 'knew that the EAP had committed the crime.' In addition, he or she had 'witnessed hectic activity in the EAP headquarters in the night.' Nothing was really true, but it sounded well-informed and credible."

Brehmer continued: "There were several advantages to specifically targeting the EAP. On the one hand, the lack of evidence could be compensated for if the newspaper reporters found something that really tied the EAP to the murder itself. On the other hand, the planted information would contribute to diverting attention from 'surely innocent' groups of the left wing. The crime could only have been perpetrated by right-

wing extremists. And that we wanted the police leadership in Stockholm to quickly understand.”

In fact, on March 3, 1986, about 72 hours after the Palme murder, the Danish newspaper *Ekstra Bladet*, the Stockholm daily *Expressen*, and the West Berlin paper *tageszeitung* all ran identical formulations, that “sources in the police leadership revealed they are looking intensively at right-wing extremist groups, such as the Swedish neo-Nazis and the so-called ‘European Labor Party.’ ”

The Stasi Department X operation drew upon an extensive network of East German agents and agents-of-influence in all walks of Swedish life. “For the Palme case alone,” Brehmer wrote in *Journalisten*, “Registry Department XII had selected 89 possible IMs, secret informal collaborators. All of them were considered suitable for operations in Sweden. . . . Four persons were considered especially well-suited. Two of them were IMs residing permanently in Sweden, probably a married couple. Another was IMI/2191/78 with ‘very good connections to state and political circles in Sweden and to leading officials of the Social Democratic Party (SAP).’ And IMI/1326/79 who had ‘close relations to the Swedish embassy in the G.D.R. [East Germany].’ ”

Brehmer concluded: “But irrespective of whether my operation underwent changes along the way or even completely went overboard, the Stasi in any case achieved its goal. I still remember how pleased we were when the 33-year-old [Viktor Gunnarsson] was arrested as the murder suspect. His contacts with the EAP contributed to causing general disgust for the EAP. This was the only thing that counted in March of 1986.”

The Bronfman-Stasi ties

The deep collusion between the Stasi and the U.S. “Get LaRouche” task force was greatly facilitated by other “commercial” activities that were going on at the same time. Beginning in 1986, a leading Anti-Defamation League figure, Edgar Bronfman, who was also the president of the World Jewish Congress (WJC), began a courtship with the East German state. In return for absolving East Germany of any role in the Holocaust, through the propaganda organs of the ADL and the WJC, Bronfman obtained a series of lucrative sole-source contracts to provide Seagram’s whiskey to the East German communist party’s VIP stores. The deal was brokered through Klaus Gysi, the East German secretary of state for religious affairs, from one of the leading Jewish communist families

of East Germany.

In subsequent trips to East Berlin, Bronfman met personally with SED Chairman Eric Honecker and with Central Committee member Hermann Axen. In 1989, on the eve of the fall of the Berlin Wall, Bronfman received the highest civilian medal issued by East Germany.

Bronfman’s, and, by extension, the ADL’s, sordid dealings with the East German communist regime, were first exposed in the West German Jewish publication *Semit*, in March-April 1990, in an article by Jacob Dachauer, entitled “A Whiskey for the Holocaust.” Later, prominent West German Jewish scholar Michael Wolfsohn, an employee of the West German Defense Ministry, would undertake a declassified study of East German Foreign Ministry archives confiscated after the fall of the Berlin Wall, further cataloguing Bronfman’s perfidy with the East Germans.

Although Bronfman’s political connections worked through the Gysi family, and, eventually, through Honecker himself, the commercial aspects of the Seagram’s-East Germany arrangements would have necessarily worked through Schalck’s CoCo in East Berlin and Rostock.

A modest proposal

Following the Brehmer revelations, up until Sept. 26, 1996, when South African death squad boss Eugene de Kock identified Craig Williamson as the mastermind of the Palme assassination, few new leads surfaced about any facet of the Palme killing and decade-long coverup.

The de Kock revelations, however, warrant a careful review of the entire Palme file, to retrace all previous leads, in light of the new “South African” angle.

One incident that requires special attention is the Jan. 13-16, 1986 London meeting between representatives of Schalck-Golodkowski’s CoCo, and Lonrho boss Tiny Rowland. At the time of the meetings, which ostensibly dealt with joint British-East German business ventures in Africa, accused Palme hit man Anthony White was working for Lonrho in the Baira corridor of Mozambique; and White was also a director of Williamson and Mario Ricci’s Longreach. During this same period, oil smuggler Marc Rich, a representative of Israeli intelligence factions with the strongest ties to the global guns-for-drugs underworld, was in and out of the Seychelles Islands. Was there more than larceny on their minds during the London talks?

The LaRouche case and the Palme assassination

From the moment of the assassination of Swedish Prime Minister Olof Palme on Feb. 28, 1986, a coordinated disinformation campaign was launched, employing the assets of the John Train salon, and segments of Soviet bloc intelligence, to implicate Lyndon LaRouche and his associates in the crime. This campaign was to serve two purposes. First, it created a “false trail” that distracted investigators from promising leads in the crucial early phase of the Palme investigation, when the trail was still warm. Second, this false lead was vital to reactivate prosecutorial frame-ups against LaRouche, which had collapsed and remained dormant until the Palme assassination and the election victory of two LaRouche Democrats in Illinois soon thereafter. The fraudulent “LaRouche killed Palme” allegation, later revealed to be a Stasi-KGB disinformation operation, became a central feature of the propaganda surrounding the judicial railroading of LaRouche in the United States.

Within 48 hours of Palme’s murder, the worldwide Public Diplomacy-linked black propaganda machine began to churn out “news” items pointing the finger at LaRouche as the author of the assassination. The Soviet press, including *Pravda* and *Izvestia* on March 2, declared that “right-wing circles” and “Western circles” were to blame for the deed. Then, 72 hours later, on March 3, the East German State Security Police (Stasi) deployed to “plant false tracks in the hunt for the murderer,” as Stasi officer Herbert Brehmer would reveal to the Aug. 20-26, 1992 *Journalisten*, a weekly magazine published by the Swedish Journalists Association. According to Brehmer, who worked in the Stasi’s disinformation unit (Department X), it was their job to proclaim that the crime could only have been perpetrated by right-wing extremists.

LaRouche and his associates had been tagged as “right-wing extremists” by the propaganda arms of British intelligence, such as the Hollinger-owned press, and the FBI, since 1980. In Europe, LaRouche’s collaborators had founded the European Labor Party (EAP) in the mid-1970s. The EAP was a long-standing political opponent of the Socialist International policies of the Palme government, and thus Stasi officer Brehmer found the “EAP made an easy target for Department X.” Brehmer says, “At my desk, I drew up the outlines of how the EAP theory would be conduited into the Swedish police investigation. The plan was to have a national Swedish newspaper receive an anonymous telephone call. It was to happen already during the week after the murder.”

But it didn’t take that long. The next day, March 4, 1986, *Expressen*, Sweden’s largest-circulation daily, ran two stories. One reported that “police sources” say they are looking at “right-wing extremists,” such as Swedish neo-Nazis and the “so-called European Labor Party.” Of the EAP, *Expressen* wrote that it is “known for hate propaganda against Olof Palme,” and is on a list of suspects of the Swedish security police (SÄPO). Buttressing this (although it didn’t name the EAP explicitly), the second article, authored by Soviet Central Committee member Georgi Arbatov, was titled “Palme Hated by Many.” The disinformation campaign was under way.

To aid and abet the dirty propaganda targeting of LaRouche, on March 12, Swedish police arrested, as a suspect, a 32-year-old loner named Viktor Gunnarsson. How did he tie into the EAP track? Back in 1984, Gunnarsson was one of 1,800 Swedes who signed an electoral petition for the national party registration of the EAP. Ah ha! He was obviously connected to the EAP, right? Wrong. In fact, Gunnarsson never became a party member or a supporter. But that didn’t matter, as truth was not the object. He had been picked up by the police for questioning on the Palme assassination, and for the next ten years the media would lie that an EAP connection to the murder was still an open question. In 1994, Gunnarsson was found dead in a North Carolina forest with two bullets in his head.

NBC-TV picks up the Stasi line

On March 18, 1986, two LaRouche Democrats won their primary election in the state of Illinois. This victory necessitated the immediate deployment of the U.S. black propaganda apparatus to neutralize LaRouche’s influence. By nightfall, NBC Nightly News was running a segment accusing LaRouche of complicity in the Palme murder. The segment featured the intelligence asset and arch-enemy of LaRouche, Irwin Suall, the national fact-finding director of the Anti-Defamation League (ADL) of B’nai B’rith. Suall declared that it was “not inconceivable” to him that someone connected to LaRouche could have killed Palme. (Two months later the ADL issued a 10,000-run special report titled, “The LaRouche Political Cult: Packaging Extremism.”) The day after the March 18 NBC segment aired, Hans Holmér, Sweden’s police chief heading the Palme murder investigation, announced at a press conference that the circumstantial link on which the police were holding Gunnarsson, had not panned out, and Gunnarsson was being released.

No matter that this “EAP link to the murder” line had evaporated: Every creepy-crawly press whore of the Train salon came out of the woodwork to pen pieces pointing to LaRouche as behind the assassination. On April 7 and 8, fueling the flames of this fabrication, NBC-TV aired yet another whopper, this time using an FBI and ADL informant, Forrest Lee Fick, to say he’d been told by a LaRouche associate of a plot to “assassinate Henry Kissinger.” By then, the floodgates had opened, and from March to November, 20,000 “news”

items appeared in American newspapers defaming and vilifying LaRouche. In the summer months, Irwin Suall travelled to Sweden to look into LaRouche's operations there. While there, he was interviewed by Swedish investigators concerning the LaRouche movement. Upon his return to the United States, Suall said he filed a report with the FBI—a document which the FBI says does not exist. The Train salon media barrage, containing false allegations of "foreign funding," "Soviet ties or control," involvement in assassinations, etc., triggered law enforcement intelligence investigations of LaRouche and his associates, which utilized classified investigative techniques under the authority of Executive Order 12333, including actions designed to "neutralize" the investigative target. The environment had been set for a hit on LaRouche and his associates, and within months, criminal indictments were issued.

Back in January 1986, a federal grand jury in Boston that had been investigating LaRouche and his 1984 Presidential campaign, expired, returning no indictments. But now, six months later, the climate was ripe to re-target LaRouche. In June, a second Boston grand jury was convened on LaRouche and his political movement, and by early July, a grand jury was also opened in Virginia. Then, on Oct. 6, 1986, more than 400 agents and police from the FBI, U.S. Secret Service, Bureau of Alcohol, Tobacco and Firearms, Internal Revenue Service, and other agencies, raided the Virginia publishing headquarters of three businesses associated with the LaRouche movement's publications. Helicopters, an armored personnel carrier, and heavy weapons were on hand to quell any resistance. The residence where LaRouche and his wife were staying, was also surrounded with hyped-up police looking for a Waco-style shoot-out. The offices were cordoned off for the next two days, while four LaRouche associates were arrested at gunpoint and hauled off to jail. Over 2 million documents and business records were seized in the raid. For days, national television and radio reports were filled with pictures or descriptions of the armed raid on the "LaRouche compound" as it was dubbed, and of the arrests.

A questionable diplomatic channel

Fourteen days later, on Oct. 20, the four LaRouche associates who had been arrested were arraigned in Boston. But a very strange thing happened in the courtroom that day. During a break in the court proceedings, a man, identifying himself as from the Swedish Consulate General's office in New York, approached the FBI case agent and the prosecutor on the LaRouche case. The consular official's contact was to "remind the FBI of the continuing interest the Swedish government has in Lyndon LaRouche and his organizations, especially the European branches." Whether it was the official Swedish government that was "still interested" is not clear, but the incident was suspicious.

The normal channels for such a contact would be through FBI headquarters and the Justice Department in Washington,



NBC-TV producer Pat Lynch. Lynch was an important figure in the "Train salon." The March 1984 NBC "First Camera" broadcast, which she produced, was the first prominent slander of LaRouche generated by the Train group. It featured fabricated charges that LaRouche plotted the assassinations of Carter administration officials, a forerunner of the later disinformation that "LaRouche killed Palme."

D.C. This individual, apparently, made no contact with either. Yet, 11 days later, on Oct. 31, this consular official was inexplicably provided access to evidence seized in the Oct. 6 raid, including notebooks of various *EIR* journalists which were part of the evidentiary material the U.S. government intended to use in its criminal case against the associates of LaRouche. *EIR* journalists who covered security counterintelligence matters had been following the reports and details of the Palme assassination. It was in their notebooks that entries about the murder were found.

In criminal cases, the government is required to maintain a strict chain of custody over its evidence. While the U.S. prosecutor did not release these notebooks to the Swedish diplomat, he did allow copies to be made. What casts a suspicious light over this exchange, however, is an FBI communication sent one week later, on Nov. 7, from the FBI's London office to both FBI headquarters in Washington, D.C. and the FBI Boston office. The teletype, captioned for the international terrorism investigation of the Palme case, notes that a "myriad" of leads had been pursued by Swedish authorities, and states that the names of two U.S. persons associated with LaRouche have "surfaced" as people who had "demonstrated against Olof Palme in Sweden in the past in concert with the European Labor Party." The communiqué asks FBI Boston to obtain "pertinent papers and forward them" to FBI London "for transmittal to Swedish authorities for their review." But

it then concludes:

In order to avoid past complications experienced in WASHINGTON, D.C., vis-à-vis using diplomatic or law enforcement channels, Boston should use Legat London as a conduit for passage of any information/material to Swedish Police rather than through Swedish diplomats in the U.S. London will provide Boston promptly with any contrary wishes of Swedish authorities. . . .

On Nov. 12, another FBI document reported that the Swedish consular official had reviewed the copied notebook pages and found "no reference to the murder of Palme . . . earlier than the first week of March 1986," and he "saw nothing in [them] which could qualify as a 'smoking gun.' "

But on Nov. 24, NBC-TV producer Pat Lynch called *EIR*'s Washington, D.C. office demanding to speak with someone about Olof Palme by 5 p.m. that day. When *EIR* returned Lynch's call, she stated that she had heard that there were "many mentions of the Olof Palme murder in notebooks" that were seized during the Oct. 6 raid. The Boston LaRouche case prosecutor also got a call from Lynch about this time. Ten days later, on Dec. 4, NBC Nightly News said that it had received information that American law enforcement agencies had new evidence on who killed Palme. It reported, "When federal agents raided LaRouche's Virginia headquarters last month, they found notebooks written after Palme's death by several key LaRouche aides. According to sources close to the investigation, the books contained 45 references to Gunnarsson, the Palme assassination, and the use of a .357 magnum in the murder. The Swedish authorities are now examining the notebooks. . . ."

Whether the prosecutor or the Swedish diplomat leaked the notebook story to Lynch, is not known, because neither the FBI or the Justice Department will release documents which account for this highly improper, if not illegal, collusion between the government, the media, and a questionable diplomatic channel.

Within 24 hours, the Train black propaganda apparatus was in high-gear again. The AP and UPI wire services, the *New York Times*, and the *Washington Post* all put out stories that federal authorities were examining notebooks seized in a raid on the headquarters of "political extremist Lyndon LaRouche." The notebook story triggered a request from Interpol in Stockholm "to review the documentary evidence seized" in the raid on the LaRouche headquarters. But, a Dec. 5 UPI wire story reported that Swedish police were asked about the NBC TV report, and while they would not confirm or deny whether they were reviewing the notebook entries, police spokesman Leif Hallberg said, "There is a disproportionately great interest among journalists in the United States about one of the leads we have followed up during the investigation. . . . Every time NBC or some other agency from the

States calls us about this [LaRouche angle] we look at each other at police headquarters and say, 'Oh no, not again.' "

The Cini Foundation

Shortly after the first anniversary of the Palme assassination, in March 1987, the elite oligarchical Cini Foundation met in Venice. During their discussion of international terrorism, "the name of LaRouche came up in the context of discussing Palme," one participant later told a journalist. John Train had been married to Maria Cini, whose mother was a member of the so-called "disenfranchised" Swedish nobility. Weeks after this meeting, Swedish authorities requested permission from the U.S. Justice Department to send three investigators to conduct 15 interviews of U.S. persons, including two former LaRouche associates who had been members of the EAP, and who had been extensively questioned a year earlier. Despite the fact that, back in November 1986, a Swedish official had found no "smoking gun" in the LaRouche associates' notebooks, the EAP investigative track had been re-opened, probably thanks to Train's propaganda apparatus.

In February and March 1987, two new rounds of indictments and arrests against 28 LaRouche associates occurred, this time by state authorities in Virginia and New York. It would be revealed in FBI documents released years later, that the state prosecutions were highly coordinated with federal authorities, and an FBI document even declared that the Virginia state prosecution was "politically motivated." The piling on of these prosecutions had one clear purpose: to destroy and dismantle the LaRouche political movement.

An unprecedented seizure

In a dawn raid on April 21, 1987, U.S. Marshals seized bank accounts and offices, and padlocked the doors of three companies associated with the LaRouche movement. The companies were never reopened. (This shutdown was later ruled to have been illegal, but by then the companies were long dead.) The afternoon before, U.S. Attorney Henry Hudson, who was heading the "Get LaRouche" task force in Virginia, filed involuntary bankruptcy petitions against the companies, and motions to permit an immediate seizure. At an unrecorded, *ex parte* hearing before a federal bankruptcy judge, Hudson requested absolute secrecy around seizing the offices. A confidential source later told *EIR* that the judge had been told that "the LaRouche people are terrorists," as a means to ensure he would grant the government's secret request for this unprecedented seizure.

(This involuntary bankruptcy seizure laid the basis, a year and a half later, on Oct. 14, 1988, for yet another round of indictments. This time, in Alexandria, Virginia, LaRouche and six associates, were charged with a federal loan fraud conspiracy. The charge was that the solicitation of loans for these three companies was done "without any intention to repay," and thus, that it was a fraud. The government arbitrarily ended the time-frame of the alleged conspiracy on the

day before it seized the three firms. In truth, it was the seizure of the firms which ended any possibility of loan repayment. But, nevertheless, the LaRouche defendants would be tried and convicted on these charges—without even being allowed to tell the jury about the bankruptcy shutdown. FBI documents obtained in 1993 show that the search for witnesses for the criminal prosecution did not begin until the day of the bankruptcy seizure. In an effort to create prosecution witnesses, FBI agents began a nationwide dragnet, visiting lenders to the firms, and telling them that because of the bankruptcy, they would never get repaid.)

It just so happened that the day of the seizure was the same day that Swedish investigators arrived in the United States. Press headlines the next day reported the new government raid on the LaRouche movement, and, because of a Justice Department or FBI leak, also reported that Swedish police officials were in the United States to take another look at whether LaRouche and his associates had been involved in the Palme murder. These “news” items were quickly re-broadcast throughout Europe.

Through key Train salon figures, including Pat Lynch, and with financial support of tax-exempt foundations implicated in the Iran-Contra “secret government,” such as the Smith-Richardson and the Mellon-Scaife foundations, Train oversaw the recruiting and “aversive conditioning” of “insider” witnesses who would appear in every LaRouche-linked trial. When Swedish officials met with the Boston prosecutor in April 1987, the prosecutor not only made 4,000 pages of documents available to them, but he arranged for one of them to travel to New York to meet a “confidential source.” The “source” was a former LaRouche associate, or what the government called an “insider,” who admitted he had “no direct knowledge concerning” the Palme assassination, but that it was his opinion that “if LaRouche wanted . . . Palme assassinated he would have” the EAP “do it.”

By August, the Swedish daily *Aftonbladet* reported that since the Swedish authorities’ recent trip to the United States, they now say the EAP investigative track can be dismissed. Such official announcements, however, did not stop the black propaganda lies about LaRouche and Palme. Even ten years later, in the midst of the latest revelations on the South Africa angle, the EAP line has again resurfaced.

‘Systemic prosecutorial misconduct’

This account of events has been pieced together over the last five years, as a number of heavily redacted documents have been released by the FBI under the Freedom of Information Act. Yet, throughout the pretrial phases of both the Boston and Alexandria LaRouche cases, when the LaRouche defendants filed motions seeking exculpatory evidence in the government’s possession, the government falsely claimed that there was none. For instance, motions demanded all evidence relating to U.S. government participation and collaboration with the ADL, NBC-TV, John Train, and other private

organizations and individuals, to plant defamatory news articles and conduct financial warfare against LaRouche and his political supporters. In Boston, the government’s response was to ridicule the discovery demand as an “Orwellian fantasy,” and in Alexandria the prosecutors denied such evidence existed, but if it did, they claimed it would be “irrelevant.” Another motion requested any evidence in the government’s possession showing that it colluded with the ADL and NBC-TV in promulgating the lie that LaRouche was implicated in the assassination of Palme. In response, the government denied any such evidence existed. Yet, as seen above, the December 1986 “notebook” story, designed to implicate LaRouche associates in the Palme murder, shows that such collusion did occur.

The trial of the first LaRouche case began in December 1987 in Boston. Despite the government’s ridicule and efforts to exclude from the courtroom the truth about this “secret government”—coordinated “Get LaRouche” operation, the defendants continued to press the issue. Three months into the trial, on March 4, 1988, the case blew open when the prosecutor disclosed that a document had been found in “Oliver North’s safe, from Richard Secord, concerning information-gathering against Lyndon LaRouche.” With that disclosure, the first light was shone on the secret government’s role in the frame-up of LaRouche. After three days of procedural wrangling, the Secord-to-North document was declassified, and it revealed that an information-gathering infiltration operation against LaRouche had been sanctioned.

The LaRouche defendants had contended that their trial was a political prosecution dictated by the intelligence community under the terms of E.O. 12333, and this secret communiqué between Secord and North now confirmed it. North and Secord were at the heart of the secret arms shipments to both Iran and to Central America, operations conducted under the supervision of George Bush. On March 10, after a second classified document—also relevant to the defendants’ earlier discovery requests—was disclosed, the judge ordered that White House files, including those of Vice President Bush, be searched for documents related to LaRouche. The Boston case ended in a mistrial in May 1988, due, in part, to what the judge declared to have been “systemic and institutional prosecutorial misconduct” concerning hiding of exculpatory evidence.

Five months later, LaRouche and six associates were again indicted, this time in Alexandria, Virginia. The case, brought in a federal judicial district known as the “rocket docket,” was on the fast track, and it was presided over by a judge who had been the banker and lawyer who organized the creation of the world’s largest private arms trading company, Interarms. To keep the case moving, the judge disallowed any evidence of government collusion with this Train-centered intelligence apparatus. The trial opened on Nov. 21 and concluded on Dec. 16, with the railroad convictions of LaRouche and his six associates.

The Club of the Isles and the international weapons cartel

In June 1985, acting on a tip, Swedish Customs officers raided the offices of a Malmö, Sweden export business, Scandinavian Commodities, owned by Karl-Erik Schmitz. In the raid, authorities seized thousands of pages of international shipping documents related to allegations of illegal arms and explosives trade involving Iran, which was then in the midst of a five-year-long war with Iraq.

In an angry press statement in November 1987, Schmitz blurted out something extremely revealing—something all but ignored by the international media and weapons trade investigators: “Everyone has kept this secret until the Swedish Customs went like an elephant in a porcelain shop and destroyed it. Everywhere you go, it is the Swedish material that is the basis for investigation,” he said.

On April 26, 1989, Schmitz gave further hints to the existence of a vast, secret, illegal, and “above government” international explosives and arms cartel, a secret, parallel government, as some U.S. Senate investigators referred to it at the time. In an interview with *EIR*’s William Engdahl, Schmitz admitted, “This is a well-established and international arms trading system that has been in place and operating for decades.”

He described its workings: “You have what are called ‘red’ countries, and what are called ‘green’ countries. If you are forbidden by law to export to a ‘red’ country, it is well established that you simply go to a ‘green’ or legal country to export. They then reshipe the material to the ‘red’ country. This is well established. And in my case, it was all done with the knowledge of the authorities. The Swedish authorities allowed this with the complete knowledge that they were ultimately destined for Iran.”

The raid on the offices of Scandinavian Commodities produced a wealth of documents, which revealed the existence of a European cartel for the coordinated pricing and market share of the worldwide market for military explosives and ammunition. This so-called explosives cartel, as it has come to be termed, is but the visible side of a major geopolitical apparatus which evolved during the Cold War era. By the 1980s, this cartel determined where major wars or conflicts would exist, where not; which side might win, which not. Given the presence of enormous raw materials and oil deposits in many of the war zones, the power of this explosives cartel and its related affiliates is staggering.

The era of controlled East-West conflicts

In the aftermath of the 1962 Cuba “missile crisis” between Nikita Khrushchov’s Soviet Union and the John Kennedy administration in the United States, a new phase in global Cold War politics began, best typified by the back-channel Pugwash Conference on Science and World Affairs, headed by recent Nobel Peace Prize winner Josef Rotblat. In these annual conferences, East met West to carve out regions of conflict which, as mutually agreed, would not threaten the vital interests of either the West or the East or escalate into possible superpower thermonuclear confrontation.

The disastrous Vietnam War, which finally ended in 1973, after a decade of slaughter and destruction, had been conducted as a direct confrontation between the United States and Communist North Vietnam. The humiliating defeat suffered by the United States dictated that such direct wars were no longer desirable.

Following the 1979 Soviet invasion of Afghanistan, the East-West “zones of conflict” went through a significant phase change. During the 1980s, until the collapse of the Soviet Union in late 1989, a huge increase in arms exports from Western countries, notably West European countries, fuelled grotesque new, or vastly expanded, wars.

The primary areas of warfare were South Asia, including Afghanistan, as well as the always-simmering potential for India-Pakistan conflict, and southern Africa, which included a multitude of wars between the black front-line states surrounding the white-run apartheid regime of South Africa, as well as so-called “civil wars” in Angola, Mozambique, Sudan, and elsewhere. Central America, including Guatemala, El Salvador, and Nicaragua, became another zone of conflict. But, by far the most significant, in terms of dead and wounded, was the Iran-Iraq War (1980-89), the largest conventional war since the Korean War of the 1950s, between two of the largest oil-producing nations in the world, situated in the region with the vast majority of the world’s known petroleum reserves.

All these Cold War-era “conflicts,” as they were euphemistically called, had several things in common: They took place in nations or regions of the Third World. They had the consequence of destroying any prospects for healthy national economic development in these regions. They provided an almost unlimited market for export of costly explosives, ammunition, and sophisticated weapons produced by the West. And, most convenient for the Western arms suppliers, they rarely came to an end.

A very powerful club

What is not known about these wars of the past two decades, is the fact that they formed an integral part of the post-war geopolitical policy of Sir Halford Mackinder and the British-centered elite grouping, which privately calls itself “The Club of the Isles.” This private power, the Club of the Isles, is in most respects more powerful than most major nations because of its supranational organization and its com-

mand over the capital flows of the City of London and much of Continental European banking, from Switzerland to Holland. It is the heart of the "secret parallel government," referred to in the Iran-Contra hearings. Those hearings never touched on the real, supranational nature of that secret government, allowing the investigation to remain on the level of the pathetic Col. Oliver North and friends.

The power of the Club of the Isles has evolved around the financial and political powers incorporated in the House of Windsor and the British aristocracy, and today includes the elite "old families" of most of Europe, from Holland to Switzerland, from Sweden to Germany, Austria, Italy, and France. This oligarchical and highly secret grouping uses institutions of various nation-states as suits them, independent of any national parliamentary checks or controls—so powerful are these families.

One of the most dangerous and ominous capabilities of

this Club of the Isles grouping, has been its ability to control major parts of the Western supply of military ammunition and explosives essential to the conduct of war. This control was formally established in the wake of the Yom Kippur War and the first oil shock, in 1975 in Paris.

The cartel, which was set up to create a monopoly in Western supply of shells and explosives in 1975, took the deliberately misleading name, "European Association for the Study of Safety Problems in the Production of Propellant Powder." The association also joined the larger European chemical industry trade group, SEPIC, with headquarters in Brussels.

In a sworn court statement on Feb. 11, 1986, the indicted Nobel Industries marketing chief, Mats Lundberg, told Swedish judges that, aside from "official" safety concerns, the Explosives Club was the meeting point at which business deals among the major explosives makers were discussed, includ-

The size of 1980s illicit Third World arms market

It is extremely difficult to obtain accurate data on the extent and value of the huge arms sales during the past two decades to regions of conflict in the Third World. The most reliable source for such crude estimates as exist, comes from the annual studies of the Stockholm International Peace Research Institute (SIPRI). In its 1987 *Yearbook*, SIPRI details the arms trade to that point in the Iran-Iraq War, then entering its seventh year.

In that war, the largest in scale of the decade, SIPRI notes, "Initially, the U.S.A. and the U.S.S.R.—the traditional major arms suppliers for Iran and Iraq, respectively—declared neutrality and refused to ship new weapons."

In this vacuum, Western European explosives makers, through the above-named cartel, together with major national European armaments suppliers, made tens of billions of dollars worth of orders, in many cases saving national defense firms, such as Bofors, from bankruptcy. SIPRI estimates that by far the largest supplier was France. Under the Presidency of François Mitterrand, whose brother was head of the French aerospace association, France made a major push to be a significant arms and explosives exporter. From 1980 to early 1987, French weapons deliveries to Iraq alone totalled an estimated \$9 billion. By the end of the war two years later, the French sum was well over \$10 billion to Iraq alone. Britain under Margaret Thatcher, Italy, and even Germany all fought

over a share of this hugely profitable business.

Iran imported well over \$10 billion in arms and explosives in the period, from all available sources, including the United States, Israel, and South Africa, in addition to the European nations mentioned. SIPRI estimated Israel's share in the Iran business at \$500 million. All this was coordinated, of course, by the same European explosives and arms cartel which was supplying Iraq. Illegal U.S. sales were farmed out to British intelligence under Thatcher, during the period when George Bush, as vice president (1981-89), ran White House covert operations.

British involvement, by all accounts, was vital and massive but, characteristically, extremely well hidden, through third parties—South African cutouts, and so forth—which makes dollar estimates all but impossible.

According to SIPRI calculations, for 1982-86, the United States was the world's leading weapons exporter to the Third World, with an official total of \$54.5 billion. This was followed by the Soviet Union, with \$48.8 billion. Number three, and rising rapidly in that period, was France, which exported weapons and ammunition valued at \$19.4 billion. Thatcher's U.K. followed with just under \$9 billion, and West Germany had just under \$7 billion. Although not all of these exports were forbidden by national law at the time, as were exports to Iraq or Nicaragua, the figures give an indication of the scale of this vast Third World arms trade, which totalled, by best estimates, well over \$160 billion for the period.

Fully 86% of all French arms and explosives exports for 1982-86 went to the Third World. For the U.K., the figure was 66%, and for Germany, 63%. The United States sent 52% of all its arms exports to Third World recipient countries.

ing cartel pricing, and division of which member firm supplied how much of a given shipment. It was here that the enormous orders to supply Iran's military with explosives were decided during the 1980s.

The members of this explosives cartel, not surprisingly, were the very firms with whom the Swedish businessman Schmitz conducted his business on behalf of Swedish cartel member Bofors. In addition to Bofors, members of the highly secret explosives cartel include PRB of Belgium; Muiden Chemie BV of Holland; Dynamit Nobel of Vienna, Austria; Imperial Chemicals Industries of the United Kingdom, via its subsidiary Nobel Explosives Ltd.; Dynamit Nobel of West Germany; Oy Forcit of Finland; and SNPE of France.

This explosives cartel and, on a higher level, the Club of the Isles, determine who wins or loses and, of fundamental geopolitical importance, where such wars will be fought.

According to well-informed investigative reports, this "explosives cartel" is at the core of a larger "arms cartel," which includes each member country's major producers of military hardware, including missiles, mines, tanks, and military vehicles needed in warfare. But through control of the sophisticated ammunition and explosives, the cartel is able to control the entire process, a point which Iran realized, to its alarm, in 1980: Without Western-produced ammunition for its Western-bought arms, Iran was defenseless.

Schalck-Golodkowski and 'destructive engagement'

During 1982-89, special elements embedded in the intelligence organs of NATO and the Warsaw Pact supervised a multibillion-dollar "gentlemen's agreement," dividing up the munitions shipments to warring Iran and Iraq. One of the central figures in this East-West "trust building" exercise of oil-weapons-drugs triangular trade, was Alexander Schalck-Golodkowski, the head of Communist East Germany's Ministry of Foreign Trade Department of Commercial Coordination's (CoCo) covert trade and smuggling apparatus.

Schalck-Golodkowski, the orphaned son of the Polish von Golodkowski family, was adopted during the Nazi occupation by Cracow-based SS battalion leader Richard Schalk, despite his Jewish mother. The young Schalck-Golodkowski, who added a "c" to his name to disguise his connection to his adoptive father, earned his keep after the war as a bouncer and smuggler in East Berlin. It was here that he was recruited to a smuggling network brought under the control of the East German Ministry for State Security, or Stasi. The smuggling brought in hard currency for East Germany's growing, KGB-supervised intelligence apparatus, and was Schalck-Golod-



Schalck-Golodkowski, the former head of the East German government's department of Commercial Coordination, was a pivotal East bloc figure in the 1980s weapons-smuggling apparatus, that fueled conflicts in the Persian Gulf, Afghanistan, Central America, and Africa, generating billions of dollars in hard currency revenues per year. After the fall of the Berlin Wall, Schalck escaped to the West.

kowski's specialty until the demise of East Germany in 1990.

Schalck-Golodkowski was taken under the wing of the Stasi's Hans Fruck, who was later to become a deputy to Markus Wolf, the famed head of Stasi foreign espionage. Wolf was associated with the Kim Philby wing of Soviet intelligence, which took its cues on surrogate warfare and trade from the British Secret Intelligence Service. To this combination were added the contacts coming from the 1980's East-West weapons trade, supervised by British Prime Minister Margaret Thatcher and U.S. Vice President George Bush, the man with his hands on the "secret government" intelligence apparatus in the United States.

Thus, Schalck-Golodkowski delivered, through George Bush's aide Oliver North, East German-built Kalashnikov assault weapons to the Contras, with Monzer al-Kassar, a Syrian drugs-for-guns intelligence hand, serving as middleman for many of the deals.

Deals with Lonrho

In January 1986, one month before the assassination of Swedish Prime Minister Olof Palme, Schalck-Golodkowski

sent his top aide, Dieter Uhlig, to London for secret meetings with Tiny Rowland and the top leadership of the British Lonrho company, to plan out British-East German joint operations in southern Africa. In the years prior to this meeting, Schalck-Golodkowski had made the arrangements with the Swedish side of the European explosives cartel, which permitted IMES Import-Export GmbH, a CoCo creation, to front for, and take commissions on, weapons deliveries to Iran. The official secret report on the London meeting (discovered after unification), demonstrates an astonishing level of cooperation between Wolf's underling Schalck-Golodkowski, and the top levels of Britain's intelligence apparatus. Attending the meeting were Edward du Cann, an adviser to Thatcher, and A.H. Ball, whose father headed Britain's MI-5 from after World War II until 1961.

Uhlig was the number-four man in CoCo; IMES, created by CoCo in 1982, primarily to carry on the weapons trade for the Iran-Iraq War, was directly under Uhlig's control. At this time, East Germany had more than a thousand specialists in Angola and Mozambique. The London negotiations established joint approaches to expanding Lonrho's control over southern Africa's infrastructure and trade, including the required security measures. Simultaneously, the recently accused Palme assassins, Craig Williamson and Anthony White, were co-directors, along with British agent Michael Irwin, of the Longreach security company. White was based in Beira, the port city of Lonrho's oil pipeline to Harare, Zimbabwe, which delivered, through Mozambique, all of Zimbabwe's oil.

In February 1986, Uhlig was to fly to Mozambique for direct on-the-ground coordination with Lonrho. By mid-1986, under the umbrella of the Schalck-Golodkowski/Lonrho arrangements, the British company Hall and Watts, made up of former Special Air Services (SAS) commandos and specializing in defense sales, landed the contract to train an elite Mozambique troop, as reported in *Jane's Defence Weekly* on Oct. 25, 1986. The organizer of the deal was the head of the Rhodesian SAS, Maj. Graham Wilson. Hall and Watts was also famous for mediating an East bloc weapons deal between al-Kassar and Oliver North. The protocol of the London meeting was signed by Schalck-Golodkowski and sent off to Werner Grossman, Markus Wolf's assistant and the man who became head of Stasi foreign espionage after Wolf resigned in 1987.

The tie to Marc Rich

According to a December 1989 letter by Dresden Stasi head Horst Boehm, Schalck-Golodkowski had a special preference for running weapons deals in South Africa. The letter contained no details, and Boehm was driven to suicide in February 1990 after the Stasi "transition team" learned of his accusations and threatened him. Marc Rich, one of the largest commodities dealers in the world, based in Zug, Switzerland, handled many aspects of the oil-for-weapons trade for Iran,

and ran Soviet oil into South Africa as well. Rich's Brooklyn, New York, representative, Rabbi Ronald Greenwald, had worked with Stasi lawyer Wolfgang Vogel since the late 1970s on East-West spy swaps. Greenwald also worked with Shabtai Kalmanowitch, the KGB agent laundered through the Likud wing of Israeli intelligence, who controlled the South African bantustan Bophuthatswana. Vogel was also in the middle of East Germany's "sale" of dissidents to West Germany for hard currency. Vogel, Schalck-Golodkowski's lawyer, was arrested in 1989 in possession of suitcases of CoCo documents, given to him by Schalck-Golodkowski.

After the dissolution of East Germany, Schalck-Golodkowski and Uhlig stayed in business, hardly losing a dollar from the old East German secret bank accounts in Liechtenstein and Switzerland in the process. After the unification of Germany in 1990, Uhlig, along with the former general director of IMES, Erhard Wiechert, founded an export-import firm, Uwimex, as a continued base of operations. Uhlig even kept up with "business" in Mozambique. Under Stasi foreign espionage head Werner Grossman, CoCo itself was quickly privatized before the unification of Germany, becoming the Berlin Trade and Finance Company (BHFG), according to *Das Schalck-Imperium Lebt (The Schalck Empire Lives)*, by Peter-Ferdinand Koch (Piper Verlag, 1992). Who became BHFG's business director? Dieter Uhlig!

BHFG was used to "privatize" CoCo assets for former Stasi personnel around the world, out of the reach of the German government. Earlier, in December 1989, Schalck-Golodkowski "defected," enjoying in the West the Bush-Thatcher protection which made his previous Stasi-CoCo business possible. From his villa in Bavaria, writes the *Süddeutsche Zeitung* on Oct. 18, 1995, Schalck-Golodkowski headed a 14-person trade delegation to China in October 1995.

EIR detailed 'explosives cartel' role in Palme killing

On Oct. 5, 1987, *EIR's* counterintelligence newsletter, *Investigative Leads* (Vol. 8, No. 7), published a detailed profile of arms dealer Karl-Erik Schmitz, highlighting his involvement in a series of illegal arms deals with Iran that were key to understanding the motives behind the assassination of Olof Palme.

The same issue of *Investigative Leads* also reported on the Sept. 4, 1987 arrest, in Brescia, Italy, of Count Ferdinando Borletti, a leading Italian industrialist, and 30 others, "on charges of manufacturing and illegally delivering hundreds

of thousands of underwater and land mines to Iran." Borletti, a close associate of FIAT's Gianni Agnelli, one of Italy's leading Club of the Isles figures, ran one of Italy's largest defense industries, Valsella, which, in partnership with the Swedish Nobel-Bofors, was part of what the French magazine *L'Événement du Jeudi* had labelled the "European Irangate apparatus."

Borletti and the others were arrested two days after Italian authorities seized a Lebanese chartered ship, *Boustany I*, carrying millions of dollars' worth of Soviet- and American-made weapons, as well as large quantities of hashish and heroin. According to the *Investigative Leads* story, drawn from court records, "documents confiscated during the arrests, included details of the Borletti-Valsella dealings with Iran. Other documents reportedly linked the guns-for-drugs transactions to a Syrian trafficker identified as Firaas al-Assad, the nephew of Syrian President Hafez al-Assad, and the son of Rifaat al-Assad." In fact, Borletti's arms and explosives smuggling, according to the *Investigative Leads* account, had been run through a Spanish company, Bovega, run by Mansur al-Kassar, a leading Syrian arms- and drug-trafficker, who had been George Bush and Oliver North's "second channel" to Khomeini in the arms-for-hostages deals, from 1986 onward.

At the time that this new evidence was published in *Investigative Leads*, Swedish authorities were still too busy attempting to conjure up evidence that "LaRouche killed Palme," to seriously probe the actual authorship of the murder—especially at the point that the leads were pointing toward the European-based munitions cartel and, above that, to the Club of the Isles networks, then steering the secret programs of Bush and Thatcher.

The following is the text of the *Investigative Leads* story.

Profile: Karl-Erik Schmitz

Reference Files:

Schmitz, Karl-Erik; Lundberg, Mats; Winberg, Claes Ulrik; Tirrena Industriale SpA; Scandinavian Commodity AB; Gechem SA (PRB); Carlberg, Anders; Serafina SA; HRD Holding SA; Muiden Chemie BV; Société Nationale de Poudrières et Explosifs SA; Israeli Military Industries; Distraco SA; Gourary, Alexandre; Navon, Moshe

A key figure in the European phase of Irangate is a 52-year-old Swedish businessman, Karl-Erik Schmitz, who resides on an estate near Malmö. Schmitz has been indicted by Swedish authorities under a law that prohibits the export of Swedish arms to countries that are at war. Schmitz had done a \$200 million-a-year business off the Iran-Iraq War, using such European firms as Nobel Industries Sverige AB, Sweden's biggest arms and explosives maker. Also indicted with Schmitz was Nobel official Mats Lundberg.

The indictments were the result of an investigation by Swedish authorities of Nobel and its Bofors arms-making

subsidiary, which began in May 1985. On Nov. 14, 1985, Claes Ulrik Winberg, president of Bofors-Nobel Industries Group, was forced to resign as head of the Swedish Employers Association. The scandal in Sweden first broke on June 5, 1985 in *Dagens Nyheter*, which noted that this was going on "while Prime Minister Olof Palme is acting as UN mediator in the Iran-Iraq War."

At this early time, State Secretary Carl-Johan Aaberg of the Foreign Ministry was quoted saying that the government had investigated a controversial chemical factory under construction by Bofors-Nobel outside Isfahan, Iran, after Iraq protested that the factory was military. Aaberg told *Dagens Nyheter* that the government had concluded it was "civilian."

On Sept. 8, 1985, *Dagens Nyheter* reported that the Bofors-Karlskoga factory had shipped 50 tons of gunpowder, which was seized by Stockholm Customs Police in May to June 1985. The powder was reportedly destined for Iran and other Middle East countries. Customs Police suspicions were cited that Bofors had illegally smuggled explosive powder and other weapons to Iran "since at least 1983."

On Dec. 21, 1985, the Stockholm daily *Svenska Dagbladet* reported the Dec. 17 seizure of another 26 tons of Bofors-Nobel Kemi explosives at the Swedish port of Trelleborg. They were destined for East Germany and believed by police to be destined for reshipment to Iran.

The event that caused the resignation of Claes Winberg was a two-page interview with Karl-Erik Schmitz, in the Nov. 12, 1985 *Expressen* magazine. Schmitz told how Iran had contacted Bofors via Yugoslavia to buy the explosives. "After 2 days, Bofors telephoned me to discuss the business." In November 1984, Schmitz and a representative from Nobel Kemi went to Yugoslavia to conclude the deal; Nobel Kemi agreed to provide 200 tons of gunpowder, which was sent to Yugoslavia, and transshipped to Iran.

European arms sales to Iran included the mines that now menace the Persian Gulf. But one of the biggest items, amounting to over \$1 billion of the \$3 billion that Iran spends annually in its war with Iraq, was munitions: gunpowder, explosives, shells, and bullets. While most of Iran's ordnance so far is still what was supplied by the United States to the Shah's regime, Iran has been buying munitions from Western Europe and anywhere else it can get them. Such munitions are essential for military offensives to be preceded by heavy artillery barrages.

According to one firm currently under investigation for Iranian arms-trafficking, as much as half of Europe's estimated annual production of 100,000 tons of explosives, is being channeled to the Iran-Iraq War. Many of Iraq's purchases are legal, through countries like France, which openly sells to Iraq. It is the Iranian arms sales that are frequently involved in the murky business of phony end-user certificates, and private middlemen like Karl-Erik Schmitz.

Sweden's Nobel was also permitted to construct a \$110 million chemical factory in Isfahan, that Iran could have used

to make explosives, until Iraqi warplanes destroyed the plant. One of Iran's biggest orders was for 5,300 metric tons of propellant used in heavy artillery shells. Iran placed this \$50 million order with the Italian munitions maker Tirrena Industriale SpA, which could not fill it, and subcontracted to other European firms.

According to the *Wall Street Journal*, customs investigators in Sweden said Schmitz ran deals that involved companies and governments in at least a dozen countries. "Some transactions depended on falsified export documents and complex shipping arrangements designed to disguise the true destination of the explosives he was buying," the *Journal* reported.

In 1982, Schmitz became involved in Iranian arms, but since 1970 his trading company, Scandinavian Commodity AB, had supplied fertilizer and non-military materials to Iran and other Middle Eastern clients. Schmitz's first munitions supplier was South Africa, also one of his big fertilizer dealers. But in 1984, South Africa was closed off as a source, when it signed an arms agreement with Iraq. This forced Schmitz to turn to Europe and Israel.

In 1983, AB Bofors introduced Schmitz to the Brussels offices of the explosives division of Gechem SA, Belgium's largest powder maker, known in the industry as PRB. Schmitz approached PRB with orders for Greece and other countries the firm had previously dealt with. PRB pulled out when it noticed that Bank Melli Iran was handling the payments, and it bought out of the contract for \$250,000. This led Belgium's Parliament to investigate PRB. Schmitz could afford to lose suppliers like PRB, partly because the Paris-based European Association for the Study of Safety Problems in the Production of Propellant Powder, had begun to parcel out large orders from Iran.

The transactions that led to Schmitz's indictment in-

involved a Jan. 2, 1985 telex order from Schmitz to Nobel Industries Sverige AB, which involved at least a \$164 million arms-for-oil barter deal he engineered. The deal was to supply enough powder for 900,000 field artillery shells. Nobel subcontracted to Belgian, French, and West German companies, while Schmitz arranged for the powder to be shipped to Pakistan, for the final sale to Iran. That spring, Swedish customs and police investigating previous transactions at Nobel discovered the Pakistan deal, and froze it. Nobel President Anders Carlberg ordered all suspicious contracts frozen. Iran urged Schmitz to expedite outstanding shipments.

Schmitz then turned to the European suppliers, beginning in Fribourg, Switzerland, with his private company, Serafina SA. He hired aircraft from a Panama-based company, HRD Holding SA, to fly supplies from Lille, France to Teheran's Mehrabad Airport. The Netherlands' Muiden Chemie BV and France's Société Nationale de Poudres et Explosifs SA delivered nearly 20 tons of powder and explosives. A separate shipment by Belgium's PRB was stopped at the French border.

Three weeks later, another flight left for Teheran, loaded with millions of explosive devices for artillery shells. In addition, there was a small sample of C-4 plastic explosives on behalf of Israel, the first part of a 400-ton shipment Israel may have been planning. As trade with European companies was choked off, Israel, a long-time supplier of weapons and spare parts to Iran, increased its trade, according to documents found in Schmitz's office. Schmitz used the state-owned Israeli Military Industries to supply many contracts Nobel backed out of in 1985. The Israeli-connection with Schmitz's business is via a Brussels firm, Distraco SA, involved in the export-import of chemicals, whose officially listed principals are Alexandre Gourary and Moshe Navon, the latter an Israeli national.

The death toll rises

Over the past decade, especially since the first public revelations of the scandal known as “Iran-Contra,” a considerable number of prominent world figures have died under mysterious circumstances. In many instances, elaborate coverups were immediately set in motion, to block honest investigators from solving the crimes. In each of the cases that we catalog below, the “victims” were all people with considerable knowledge about the global underground of weapons trafficking, drug trafficking, money laundering, and so forth, carried out with the complicity of the Margaret Thatcher and George Bush-run “secret governments” of the 1980s.

By looking at these murders, one can identify a pattern, that links the assassination of Sweden’s Olof Palme to many of these other cases. This further explains why it is, that the “South African connection,” recently revealed in the Palme case, is not simply tied to Palme’s anti-apartheid efforts, on behalf of Nelson Mandela and the African National Congress. Olof Palme, like all the other murder victims you are about to read about below, was killed because he knew too much about the East-West arms-for-drugs trade, and he was considered a liability.

- Uwe Barschel, the governor of the German state of Schleswig-Holstein, died less than 48 hours before he was scheduled to testify before a parliamentary panel, looking into illegal arms trafficking between the East and the West. Barschel’s death was ruled a suicide, and it took seven years for the forensic evidence, that existed all along, to be made public, proving that Barschel was murdered.

- Indian leader Rajiv Gandhi was assassinated at a campaign rally, to prevent him from assuming the prime ministership of his country. He had been intimately involved, along with Olof Palme, in secret arms transactions, involving the same players which we identified in the preceding chapters that dealt with Palme’s assassination. The Liberation Tigers of Tamil Eelam of neighboring Sri Lanka, who carried out the murder of Gandhi, are part of the extended “Afghansi” apparatus of separatist killers, drug- and weapons-traffickers, and mercenaries-for-hire who emerged from the 1979-89 Afghanistan War.

- Israel’s Prime Minister Yitzhak Rabin was assassinated because he had broken with British geopolitical stratagems,

and was pursuing a lasting peace with Palestinian Authority President Yasser Arafat, and with all of Israel’s Arab neighbors. Such a peace process, strongly backed by the United States, would remove one of the most tried and tested instruments of Club of the Isles power, the ability to manipulate the Arab-Israeli conflict in the Middle East.

A caveat

The authors do not intend to imply that every one of the assassinations cited in this chapter are to be laid personally at the doorsteps of George Bush and/or Margaret Thatcher. What should become obvious, however, is that every one of the targets of assassination was involved in, or was in the process of exposing, the vast East-West arms-for-drugs apparatus that dominated world affairs, especially in the Third World, throughout the 1980s. Bush and Thatcher personify the “Western branch” of the political structures that fostered, deployed, and protected these criminal networks throughout their tenure in office—principally on behalf of the international financier oligarchy known as the Club of the Isles. In some of these instances, Thatcher and Bush do bear direct, personal responsibility for the actions of this apparatus.

A serious, and thorough investigation into the political assassinations catalogued below, would further expose the global demimonde, which, today, represents a \$1.2 trillion-a-year income stream, derived from the sale of illegal drugs, arms, and other precious commodities, and which finances a stable of professional assassins, terrorists, and political dirty-tricksters, the successors of what Lyndon Johnson, shortly before his death in 1973, had labeled a “new, global Murder, Inc.”

This is the hard core of the self-described “asteroid” apparatus today. In the 1980s and early 1990s, with Bush and Thatcher still in power, the asteroid networks were part of the official structures of government, in most instances. Their actions were protected, often by complicit officials in positions of responsibility in the justice departments, courts, and Executive branch agencies. Now, many of these networks are off on their own, working on behalf of private interests, making them, potentially, more vulnerable to honest law enforcement action.

The mysterious death of Uwe Barschel

On Oct. 10, 1987, Uwe Barschel, a prominent West German politician from the northern state of Schleswig-Holstein, checked into the Beau Rivage Hotel in Geneva, Switzerland. The following morning, he was found, dead, in the bathtub of his suite. Despite substantial indications that Barschel had been the victim of foul play, for the next seven years, the official German government version of Barschel's death was that it was a suicide.

At the time of his death, Barschel was in the center of controversy. One month before his death, Barschel had resigned as governor of Schleswig-Holstein, as the result of a political scandal. On May 31, 1987, Barschel had nearly been killed in a very suspicious plane crash, in which the pilot and co-pilot of his private plane were killed. A 15-meter pole had been placed at the edge of the runway at Lübeck Blankensee Airport, and the private plane crashed into the pole as it attempted to land. Twenty-four hours prior to the crash, there was no such obstruction near the runway. Eyewitnesses also later told police that they had heard an explosion just prior to the crash; and Barschel later said that he may have heard a bomb go off. He spent two months in a hospital recuperating from the crash, during which time, the opposition Social Democratic Party (SPD) launched its "political corruption" campaign against the up-and-coming Christian Democrat. In 1992-93, as the archives of the East German state security service, Stasi, were opened, several of the leading SPDers who led the assault upon Barschel were revealed to have been Stasi "moles."

Despite this incident, and despite persistent rumors that Barschel had been in Geneva to meet with arms dealers, trafficking weapons to Iran, the "suicide" story stuck. One lone local prosecutor in Lübeck, Heinrich Wille, refused to accept the official version, and followed up on all of the leads that emerged over the next half-decade, often relying on the efforts of investigative journalists, probing the "European connections" of the Reagan-Bush "Iran-Contra" affair.

Barschel had spoken to friends by phone on Oct. 10, 1987, the day of his death, and promised them that he was going to "detonate a bomb" on Monday, Oct. 12, when he was scheduled to testify before a parliamentary investigative commission in Schleswig-Holstein. Of course, he never delivered that testimony, because he died just hours after he made the call.

Forensic discovery

Prosecutor Wille had always contended that, eventually, forensic evidence would surface, proving that Barschel had

been killed. This seemed to be a far-fetched proposition, because German authorities had claimed that crucial autopsy tests had not been run on Barschel's body. It therefore caused a major scandal, when, in May 1994, a noted Swiss forensic pathologist, Dr. Hans Brandenberger, produced tissue samples from Barschel's body, that showed that he had been drugged—prior to his death. The "Brandenberger Report," as it came to be known, broke in the German media on Oct. 5, 1994—almost exactly seven years after Barschel's mysterious death. On Oct. 13, 1994, Bernd Schmidbauer, German Chancellor Helmut Kohl's chief national security aide, told reporters, "Maybe Barschel was assassinated, after all." He ordered a thorough review of all of the Stasi archives, to see if there was any evidence of an East German hand in the Barschel murder. On Dec. 21, 1994, the Barschel case was officially reopened by the Schleswig-Holstein court in Lübeck. Wille was appointed to head the investigation. On Dec. 27, 1994, the investigation was expanded to include the mysterious May 1987 plane crash, in which Barschel was almost killed.

Immediately following the announcement that the Barschel case had been reopened, as a murder investigation, the German press began reporting some of the most crucial, and long-suppressed details about the final days of Uwe Barschel's life.

On Dec. 24, 1994, the *Frankfurter Allgemeine Zeitung* reported on the possible "arms cartel" links to the Barschel case. "A former senior officer of the G.D.R. [East German] Ministry of State Security (MfS) has told the West German security agencies about voluminous arms and technology deals, which he said were carried out with the help of the former G.D.R. hard currency merchant Schalck-Golodkowski and West German enterprises—potentially also including reputed firms in Schleswig-Holstein."

The paper said: "Other hints that the [BND, German Foreign Intelligence Agency], among others, obtained, relate to the evening of Oct. 10, 1987. The day after, the CDU politician and former minister president [state governor] in Kiel, Barschel, was found dead in a Geneva hotel room. Barschel had arrived in Geneva in the afternoon of Oct. 10. It has not been clarified where he stayed in the course of the same day, and whom he met. Various hints mention meetings among arms dealers with Iranian background that evening. Barschel is said to have attended such a meeting.

"There is, in a telegram that is attributed to the Geneva resident of the American intelligence agency CIA and which is said to be intercepted and decoded by the Stasi (MfS), a report about such a meeting in the evening of Oct. 10 that was attended by five persons. One of them, who was given the code name of 'Perch,' is said to have categorically rejected any cooperation. 'Perch' is the English term for Barsch."

Two days later, the German daily newspaper *Bildzeitung* elaborated on the Barschel-Iran story, in an article headlined,

"Barschel: CIA Agents Were Hanging Around at the Death Hotel." *Bildzeitung* reported that "CIA agents are said to allegedly have observed Uwe Barschel, during his stay at the hotel Beau Rivage."

On Dec. 28, 1994, the *Berliner Zeitung* revealed that an informant of the BND had delivered behind-closed-doors testimony to judges in Lübeck in the summer of 1992, providing details on the purported Geneva meeting. The informant identified Rafiq d'Houst, an Iranian Revolutionary Guard official, and Ahmed Khomeini, the son of Ayatollah Khomeini, as two of the participants in the meeting—along with Barschel. German authorities later obtained personal notes from a German arms dealer, whom they arrested, which referenced a meeting of international arms dealers and Iranian government officials in Geneva on the weekend of Barschel's death. The notes listed as participants in the meeting, "Professor Chung-Li, Fafi-Dust, Mohajedi, Ahmed Khomeini, Barschel."

On Dec. 30, 1994, *Bildzeitung* revealed that another member of the Barschel family had died under mysterious circumstances, possibly linked to the death of Uwe Barschel. Bernd Barschel, a cousin of the late Uwe Barschel, was a professor of philology at Schiller University in Jena. He was also an asset of the East German Foreign Intelligence Service, HVA, which, for decades, was headed by East Germany's most famous spymaster, Markus Wolf. In addition to his teaching post at Schiller University, Bernd Barschel worked as a "consultant" for an East German optics firm, Zeiss, which was involved, during the Cold War, in Warsaw Pact defense research and technical espionage. Zeiss, in turn, had entered into several "research partnerships" with the West German defense research company Wild-Leitz. Wild-Leitz had a Swiss branch, where Uwe Barschel's brother, Eike Barschel, worked. Uwe and Eike Barschel were scheduled to meet in Geneva on Oct. 11, 1987—the day after Uwe Barschel's death.

Bernd Barschel, in March 1990, gained access to the Stasi archives in Gera, East Germany, and reportedly discovered files that shed significant light on the death of his cousin. In October 1990, Bernd Barschel announced that he would go public with the information he found in the Stasi files. Two weeks later, Bernd Barschel died of "a heart attack."

Bildzeitung, in its article on Dec. 30, 1994, quoted a Bonn intelligence expert, saying that "one man could shed light on the darkness in the Barschel affair: former GDR espionage chief Markus Wolf." A member of the Bundestag, the German federal parliament, Georg Brunnhuber, told the newspaper, "In case Markus Wolf remains silent, he has to be kept under arrest until he reveals his knowledge about the Barschel case."

The same day that the Bernd Barschel story was revealed by *Bildzeitung*, the *Berliner Zeitung* published an interview with one of Markus Wolf's top deputies in the HVA, Peter Feuchtenberger. When Wolf formally "retired" from the

HVA directorship in 1986, Feuchtenberger was appointed as head of Department XX of the HVA, which was responsible for computer espionage and electronic surveillance. He told the paper: "There is no doubt that Barschel was involved in arms deals. Whenever Barschel was in Warnemuende [an East German Baltic port not far from Rostock] and was carrying out his deals, the hotel was completely bugged. It is strange that all this intelligence is said to have disappeared." Asked whether he gave any credence to the idea that the Stasi assassinated Barschel, Feuchtenberger replied: "What is all this nonsense about the Stasi killing Barschel? The Western agencies should just put everything [they have] on the table."

In the summer of 1990, following Bernd Barschel's review of the Stasi archives, hundreds of pages of documents disappeared from the East German files. The West German magazine *Focus* singled out former Bonn Interior Ministry official Eckart Werthenbach, as the individual responsible, at the time of the disappearance of the documents, for "dissolving the Stasi and securing the files." In early 1991, Werthenbach was appointed director of West Germany's BfV counterespionage agency.

Apparently, a second batch of files relevant to the Barschel case disappeared from the East German archives, in late 1994 and 1995, following the reopening of the Barschel case. Heinrich Wille discovered that these documents had disappeared, after he was able to interrogate several former HVA officers, who had knowledge of Barschel's links to East Germany, and to the international arms business during the 1980s. On Jan. 8, 1995, Klaus Klinger, the state justice minister of Schleswig-Holstein, said in an interview with Deutschlandradio (German Radio), that at least 200 pages of Stasi files relating to the Barschel case had been shredded by West German counterespionage agents, because they had been deemed "not relevant for the investigation of Barschel's death." Klinger noted, "There is a story behind that story."

An open file

The Barschel investigation continues to this day, despite efforts to dump Wille from the probe. While no clear explanation for Barschel's death has emerged in the intervening nine years since his final trip to Geneva, and no one has stepped forward to reveal what Barschel intended to report in his scheduled Oct. 12, 1987 testimony before the Schleswig-Holstein investigative commission, certain features of the case stand out. First, Barschel was apparently personally caught up in the East-West arms and espionage nexus of the 1980s. Second, he was also apparently involved directly in the illegal conducting of arms to Iran, during the period of the Iran-Iraq war. A thorough investigation of the Barschel death, even at this late date, would unquestionably lead to dramatic new revelations about the subterranean arms and espionage apparatus, and perhaps, would even solve the question: Who killed Uwe Barschel?

Cools and Bull: two murders in Belgium

On July 18, 1991, André Cools, a leading figure in the Belgian Socialist Party, was assassinated outside the home of his mistress, in the industrial city of Liège. Cools had been deputy prime minister of Belgium, and was the political boss of Liège. The murder of Cools was a professional shooting by two men who escaped on a motorcycle.

Within several weeks of Cools's assassination, Judge Jean-Marc Connerrote had apparently cracked the case, and was preparing to indict several prominent Socialist Party figures, some local Italian Mafia members, and the contract killers. But before Judge Connerrote acted, the justice minister removed him from the case. As a result, there were no indictments, and the case was, for all practical purposes, closed.

Why was Cools murdered, and why did senior government officials move to shut down the investigation, on the eve of indictments?

Cools was murdered within days of his return from a fact-finding trip to Geneva and Lucerne, Switzerland. Cools had announced to the Belgian press, that he would soon release startling evidence about corruption in Belgium's burgeoning arms and explosives industry. He was murdered before he could release his findings.

The death of Gerald Bull

Among the matters that Cools was reportedly investigating at the time of his assassination, was the death of arms inventor and manufacturer Gerald Bull. Bull was killed outside his Brussels home on March 22, 1990. All of Bull's business records disappeared immediately after his murder, which remains unsolved to this day.

Bull's Space Research Corporation, then based in Brussels, had been in the center of the "explosives cartel" and the global arms bazaar that fueled the not-so-secret wars of the Thatcher-Bush decade. Cools and Bull had been collaborators, in the buildup of the Belgian arms industry, according to British arms manufacturer Gerald James.

The Canadian-born Bull launched Space Research in the United States and Canada in the 1970s, with seed money from the Canadian Bronfman family's Edper holding company. Edper was named after Edgar and Peter Bronfman, two of the leading heirs of the Seagram's whiskey conglomerate, which had been launched by Sam Bronfman during Prohibition as a bootlegging operation, and was part of Meyer Lansky's National Crime Syndicate.

Bull was, by all accounts, an engineering genius, who

developed a number of long-range guns, including the most advanced 155-millimeter howitzer, and the much ballyhooed "Super-Gun," a long-range cannon, thought to be able to launch even small satellites into outer space.

In 1977, beset with financial difficulties, Bull agreed to sell parts of Space Research Corp. to the government of South Africa's state arms-manufacturing company, Armscor. The South African broker for the deal was the firm's chief sales representative, J.S. Coutzee. Through a series of offshore financial transactions, involving the Caribbean island of Antigua, the sale was completed, and South Africa became one of the world's leading manufacturers of Bull's 155-millimeter gun, and ammunition. On the South African side, Bull's operations were abetted by Israel, which already had established strong ties into South Africa's defense sector, even developing a testing ground for joint Israeli-South African missiles, and other sophisticated weaponry. Israel's leading arms "salesman," Shaul Eisenberg, became a close business associate of Bull's in South Africa.

Bull and Space Research were no strangers to Africa. In 1975, Space Research had been involved in "Operation Feature," a U.S. government-sanctioned covert operation which provided weapons to Dr. Jonas Savimbi, the leader of the UNITA rebels in Angola. "Operation Feature" was a predecessor to all of the covert arms dealings of the 1980s.

The South Africa business deal ultimately blew up in Bull's face. He was indicted in the United States during the Carter administration, and served four months in federal prison, for violating a U.S. arms embargo against South Africa.

When Bull got out of jail, he accepted a lucrative offer from the People's Republic of China, to provide them with the howitzer technology. Bull used the money to relocate Space Research to Belgium, where he entered into a series of joint ventures with one of Belgium's premier arms manufacturers, and a charter member of the "explosives cartel," Poudrières Réunies de Belgique (PRB). Throughout the 1980s, from his new European base of operations, Bull provided sophisticated weapons to both Iran and Iraq, often in league with the major European arms companies, and the ever-present "explosives cartel."

In 1989, British arms merchant Gerald James's Astra Company bought a controlling interest in PRB, and James became a close associate of Bull. Bull and James suddenly found themselves targets of a major scandal. Bull was accused of illegally building a "super-gun" for Iraqi President Saddam Hussein. In the run-up to the 1990-91 "coalition" war against Saddam, the "super-gun" scandal, along with the Banca Nazionale del Lavoro (BNL) scandal, served to build up an international climate of hatred against "the dictator," Saddam. Both the "super-gun" and BNL "Iraqgate" scandals were launched in 1988-89, prior to Saddam's invasion of Kuwait. Long before Iraqi troops crossed into Kuwaiti territory, the die had been cast, that Saddam and Iraq would be brought to

their knees, as the precedent-setting event of Margaret Thatcher and George Bush's "new world order."

Once again, Bull had found himself in the unfortunate position of being in the wrong business, at the wrong time. On March 22, 1990, Christopher Gumbley, James's partner in the Astra takeover of PRB, met with Gerald Bull at a Brussels hotel, to plan out a public counterattack against the "super-gun" charges. James, Gumbley, and Bull had a lot to say in their own defense.

Every aspect of the Iraq dealings of Space Research had been cleared at the highest levels of the Thatcher and Reagan-Bush administrations. Space Research's closest partners in the arms dealings with Iraq had been a string of British firms, all part-owned by Jonathan Aitken, Thatcher's secretary of state for defense procurement, and a leading figure in the Tory Party hierarchy. Furthermore, Bull's deals with Iraq had been bankrolled by Société Générale, the banking arm of the Société Générale de Belgique, a holding company of the Belgian royal house, which owns 40% of the country's industry.

The Belgian-Iraqi contracts had been negotiated by Count Hervé de Carmoy, a French nobleman and member of the Trilateral Commission, who was the international director of Britain's Midland Bank, and the co-chairman of Société Générale de Belgique, representing the interests of a large bloc of French shareholders. Ironically, Count de Carmoy had traveled to Baghdad in 1989, to work out the final details of the Space Research contracts with Iraq, along with plans to build a series of chemical plants as well. Those plants would be later described as "chemical weapons factories," and obliterated by "coalition" bombing raids in the 1991 Persian Gulf War.

When the Gumbley-Bull meeting at the Brussels hotel broke up, Bull returned home. He was gunned down outside his house. Two weeks later, Gumbley was arrested and jailed in Britain, on vague "corruption" charges.

Belgian arms trafficking

If the political and criminal intrigue in the Gerald Bull case were some of the matters that André Cools had intended to expose at the time of his assassination, it was not only the "Belgian connection" to the East-West arms-smuggling scandals, of which he was aware.

Belgium, which hosts the headquarters of the North Atlantic Treaty Organization, enjoys a disproportionate power status within Europe. Brussels is a hub of arms dealing and military-industrial espionage. Furthermore, Société Générale de Belgique, the holding company linked to the Belgian royal house, exerted control over PRB, and over Belgium's second major arms industry, Fabrique Nationale. The Belgian Banque Bruxells Lambert was deeply implicated in one of the early United States-Israeli covert arms programs, "Operation Demavand." And one of the leading Belgian government officials of the 1980s, Jean Gol, who served as defense minister and interior minister, was a cousin of East Germany's Alexan-

der Schalck-Golodkowski. Gol was also the head of the Belgian-Israeli Friendship Society, and was widely suspected of having his own direct ties to the Mossad. The relationship between Gol and Schalck has never been publicly investigated.

Another Antwerp-based arms-smuggling outfit, Casalee, which had been set up originally in Rhodesia in the 1970s to smuggle arms to the regime of Ian Smith, was involved in many of the covert arms deals to Iran and Iraq during the 1980s. Its founder and director, John Bredenkamp, eventually relocated his operation to Britain at the end of the 1980s.

Cools was also on the board of directors of the Bierset Airport, near Liège, which was a transshipment point for many arms deliveries to Iran and Iraq, during the period of the United Nations embargo. That airport was also under investigation for smuggling of weapons to the Armed Islamic Group (GIA) in Algeria.

The pedophile ring

On Aug. 17, 1996, the five-year coverup of the Cools murder, and potentially a whole lot more, came to a shocking halt, when Belgian police raided a house in a small city in the French-speaking sector of the country, and rescued two young girls who had been kidnapped by a pedophile ring. The raid resulted in the arrest of Marc Dutroux, a well-known criminal, and low-level police informant. The Dutroux arrest unraveled an international pedophile ring that reached up into the highest levels of the Belgian government, including some of the very people who had initially been implicated in the assassination of André Cools. By arresting Dutroux, the Belgian authorities were simultaneously able to round up many of the people responsible for the Cools assassination.

Dutroux, in the meantime, led police to the graves of four young girls, all of whom had been murdered by his pedophile gang. Within a short period of time, over 30 people were arrested, including senior police officials, judicial authorities, and politicians.

The prosecuting judge in the Dutroux case was Jean-Marc Connerrote, the same judge who, five years earlier, had briefly been in charge of the Cools murder investigation. Among those arrested in August 1996 by Judge Connerrote and charged in the Cools murder, was Alain Van der Biest, a leading member of the Belgian Socialist Party and a one-time political ally of Cools. A second senior Belgian Socialist Party official, Guy Mathot, was briefly detained, but later released in the Cools murder case. He is still a target of the investigation, according to several investigators working under Judge Connerrote.

Judge Connerrote also arrested two Italian Mafia figures linked to the Cools killing. Soon after the arrests in Belgium, the Tunisian government arrested two Tunisians, accused of being the gunmen in the Cools murder. They were extradited to Belgium, and have subsequently confessed to the murder. The Tunisian authorities informed Judge Connerrote that the

two men were part of the GIA arms-smuggling ring that had been operating out of Bierset Airport. Members of the ring had been part of the Afghansi mujahideen during the 1980s.

The Dutroux pedophile ring probe is still expanding. At the time of his arrest, Dutroux was running a car-theft, drug-smuggling, and pedophile operation, that reached into the Netherlands, France, and Germany. A leading figure in the pedophile operation, Jean Michel Nihoul, managed the gang's finances out of posh offices on the Avenue de Louise in the heart of the Brussels business district. He managed a string of Dutroux's properties, including a villa in the Caribbean.

Nihoul had been in and out of jail since the 1970s, on a wide range of money-laundering, drug-trafficking, and prostitution charges. He was also a fixture in Belgian right-wing circles, linked to the World Anti-Communist League and the Christian Social Party. In the 1980s, Nihoul ran an ecology cult, called *Eco Vie*, which was a front for his criminal activities.

The Nihoul exposé has raised fears among some of the Belgian elites, that the pedophile bust will force the reopening of an earlier case, involving the 1986 murder of a top executive of Fabrique Nationale, named Mendez. Mendez was responsible for arranging false "end-user certificates" for shipments of arms destined for Iran, Iraq, and several African countries on the United Nations' arms embargo list.

The Dutroux-Nihoul case has also sparked renewed interest in a parallel case, unearthed in the United States, as part of the late 1980s Congressional and special prosecutors probes of the Contra supply operations. The American case involved the Franklin Credit Union of Omaha, Nebraska, run by Larry King, an African-American Republican Party operator, whose savings and loan institution was used to launder funds for Oliver North's Contras. When former Nebraska state senator John DeCamp launched a probe of King's activities, he unearthed a nationwide pedophile ring, servicing some of the most wealthy and powerful figures in the Omaha business community, and the Republican Party circles of George Bush.

Protests erupt in Belgium

On Oct. 14, 1996, the Supreme Court of Belgium removed Judge Connerrote from the Dutroux case. The ostensible reason for the removal was Judge Connerrote's appearance at an event sponsored by the parents of the victims. The Supreme Court's action sparked spontaneous demonstrations in every city in Belgium, culminating with a march by 300,000 people in Brussels on Oct. 20. The newspaper *Het Volk* editorialized, "Like a magnet, this [the firing of Connerrote] has attracted all the hidden anger of all Belgians—anger because the rights of criminals are better protected than those of the victims." The editorial linked the pedophile case with the recently solved Cools case, "a case that highlighted official bungling and corruption."

India's former prime minister, Rajiv Gandhi

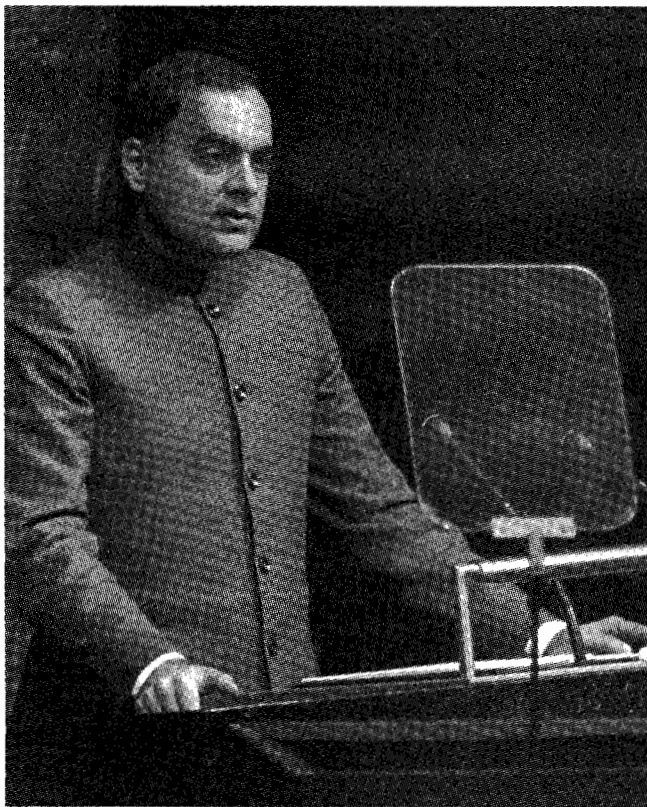
On May 21, 1991, as he was campaigning in national elections that promised to bring him back to power as the next prime minister of India, Rajiv Gandhi was murdered. The method was grotesque. At a campaign rally in the southern state of Tamil Nadu, Gandhi was killed when he greeted a woman who was a suicide bomber of the Liberation Tigers of Tamil Eelam (LTTE, or Tamil Tigers). The woman literally exploded, killing Gandhi, herself, and eight others.

Although the Indian government has officially indicted Tamil Tigers chief Vil Prabhakaran for the murder, the LTTE was more than likely acting not as a derivative assassin—as in the case of the Sikh separatists who gunned down his mother, Indian Prime Minister Indira Gandhi in 1984, or the Zionist fanatic who murdered Israeli Prime Minister Yitzhak Rabin in November 1995—but had carried out the deed as a contract hit for the Tigers' protectors. The assassination was not motivated in revenge—it was a preemptive measure.

First, Rajiv Gandhi had shown, in his months of campaigning, that he would return to office to take the helm in India with an administration that would far more resemble his mother's years as prime minister, when India was the leader of the Non-Aligned Movement and New Delhi forged an independent foreign policy. In the months leading up to the elections in 1991, Gandhi had been acting as India's de facto foreign minister.

India had endorsed United Nations Security Council Resolution 678, which had authorized the United States-led coalition to use force to oust Iraqi troops from Kuwait. By the end of January, however, in the midst of the war, Gandhi decried the UN coalition, stating: "Instead of the war being directed toward restoring Kuwait's sovereignty, the main target has become Iraq. We have witnessed relentless, unprecedented, and large-scale destruction of civilian, economic, and industrial targets, besides military installations." In an open letter released Feb. 7, 1991, Gandhi decried the fact that "the bombing of Iraq has taken a horrendous toll of innocent human life. Who knows how many children this war has already killed, how many more are destined to die. . . . The Security Council cannot have authorized the liberation of Kuwait through the obliteration of Iraq."

On Feb. 15, Gandhi met with *EIR* correspondents Susan and Ramtanu Maitra in New Delhi, his major concern being the war against Iraq, and also the frame-up and incarceration of American statesman Lyndon LaRouche, and LaRouche's



Indian Prime Minister Rajiv Gandhi. In February 1991, three months before his murder, Gandhi had publicly attacked the Bush "obliteration" of Iraq.

"bucking" of the Bush secret government and its "Iran-Contra" criminal operations.

On Feb. 18, Gandhi served notice that India must stop permitting U.S. Air Force planes to refuel in India, in protest of U.S. military operations against Iraq.

On Feb. 22, Gandhi embarked on a diplomatic mission to Moscow, meeting with then-President Mikhail Gorbachov, and also with Iranian President Hashemi Rafsanjani, in an effort to end the war against Iraq.

An obstacle to Britain's 'Great Game'

The removal of Rajiv Gandhi from the scene was a strategic requirement for London's Great Game in Central Asia. The "clash of civilizations" thesis of Samuel Huntington and British intelligence eminence Bernard Lewis, would have been far more difficult to effect with Rajiv Gandhi as the leader of India. Under the Gandhis, India had good relations with the Arab world, and had always worked to back the Palestinian movement's efforts for implementation of United Nations Resolution 242.

Additionally, however, the murder of Rajiv Gandhi ensured that, having already broken with George Bush's new world order, he would never use his own knowledge of the inner filthy doings of the "explosives cartel."

For, as with Swedish Prime Minister and Gandhi friend Olof Palme, the business methods of the Swedish armaments company Bofors, had had a major impact on Gandhi's political fortunes, and is perhaps the major reason for his death. Or, as the Italian daily *Corriere della Sera* presciently headlined its story of Oct. 31, 1989, "Bofors Scandal Could Be Fatal for Indian Prime Minister."

The Bofors sting

From 1987 onward, Gandhi had been hounded by a scandal surrounding the 1986 purchase for \$1.4 billion by India of howitzer guns. The allegation has been made repeatedly that Rajiv Gandhi personally, and other members of his cabinet, siphoned off funds from the deal, as payback. No evidence has ever been discovered to prove these charges. Nevertheless, in 1989, the "Bofors scandal" was the number-one issue leading to the fall of the Gandhi government.

What is now known about the deal is that part of the delivery of howitzers was to be siphoned off to either Iran or Iraq, as part of the Bush-Thatcher effort to arm both sides in the Iran-Iraq War, continuing their mutual bloodletting. In 1986, at the point that the India-Bofors deal was concluded, the cartel was making its "tilt" toward Iraq.

Can it be irrelevant to the assassinations of either Olof Palme, or of Rajiv Gandhi, that the Bofors deal was concluded four weeks after Palme's death, and eight weeks after the two prime ministers had met in Stockholm? The March 1986 signing of the Bofors deal had concluded months of negotiations that had begun in May 1985. The Indian Defense Ministry, under Gandhi's close associate Arun Singh, had insisted from the beginning that there could be no middlemen in the deal. In September 1985, Bofors started production of the guns for India—even though the deal had not been struck. In October 1985, Rajiv Gandhi met Palme in New York during the UN General Assembly, and assured Palme that Bofors would get the deal, *if* all middlemen—repositories for bribery—were eliminated.

In January 1986, Palme made a week-long visit to India, and assured Gandhi that the Indian government's stipulation against middlemen would be met. It is not known what else Palme and Gandhi discussed; however, references are made in official documents concerning "political questions." If Palme's crackdown on the Rostock smuggling route indicates the Swedish prime minister's turning away from the war policies of Bush and Thatcher, then Rajiv Gandhi, with long-standing ties to Palme, would be an obvious discussion partner.

On Feb. 28, 1986, Palme was killed. On March 24, the contract between India and Bofors for the delivery of 410 howitzers was signed. The official announcement came on April 1.

On April 19, 1987, the so-called Bofors scandal against Rajiv Gandhi erupted in the press. Its point of origin was Sweden. Swedish Radio charged that the deal had channeled

\$50 million in kickbacks to secret Swiss bank accounts of top government and Congress Party officials. By the end of the summer of 1987, key personnel had been forced out of Gandhi's cabinet. The government was silent or evasive—given the ultimate destination of a portion of the guns—adding to the air of speculation of “cover-up.”

The Bofors scandal has never been put to rest. In 1989, reportedly it was Chandraswamy and Adnan Khashoggi, two key players in “Iran-Contra,” along with their partner, Lonrho's Tiny Rowland, who revived the Bofors probe. They were behind the scheme by which alleged pages of the diary of Martin Ardbo, former president of Bofors-Nobel, who directly negotiated the India deal, were published in the Indian press, allegedly showing a payoff to the Gandhi government through Italy. The diary sheets were highlighted by the British Broadcasting Corporation, and the *Hindu* and the *Statesman* dailies in India. The leading Indian journalists behind the story were Chitra Subramaniam of the *Indian Express*, and N. Ram of the *Hindu*. Despite the gallons of ink spilled around the scandal, no evidence has ever come to light to substantiate the charges.

In 1990, after Gandhi was out of power, the Indian government had the Swiss bank account of the brother of close Gandhi friend Amitabh Bachan frozen. Delhi was acting on a tip from Fairfax Security, hired by V.P. Singh. Based in Virginia, Fairfax was owned by Michael Hirshman, formerly of U.S. military intelligence and former deputy auditor general for the U.S. Agency for International Development. Although this lateral scandal forced the resignation of Bachan from Parliament, the investigative judge in the case eventually determined that the account and the Bachan brothers had nothing to do with Bofors.

It was determined, however, that money did change hands, the primary recipients being three companies who standardly operated on Bofors' behalf. These three companies are: Svenska SA, AE Services Ltd., and Pitco.

The world of British intelligence and drugs

With examination of these companies, the Bofors investigation veers sharply away from any path toward the Indian prime minister, and straight into the shady world of British intelligence and drugs.

Svenska SA is based in Panama. Its chairman is Steven Samos, whose name pops up in “Iran-Contra.” Samos's other company, Interseco, was documented to be the Panamanian offshore base for drug traffickers throughout the 1970s and 1980s. The only Indian national proved to have any connection with Svenska SA is Win Chandra, Bofors' longtime official agent in India. Although Chandra fled India in 1987, no

connection between him and Rajiv Gandhi has ever been determined.

AE Services is based in Guildford, Surrey, England. AE Services is owned by a company called Consortium for Information Assimilation and Output, which is registered in Vaduz, Liechtenstein.

AE Services is run by Maj. Robert Wilson, a former British Army officer with the Gurkha regiment recruited by the British raj exclusively from Nepal and used in Hongkong. Today the Gurkha special forces regiment is stationed in Britain. According to knowledgeable sources, AE Services was used by Bofors in efforts to circumvent the Iran-Iraq arms embargo.

AE Services was contracted by Bofors in November 1985 to get the India deal signed by March 1986. The Bofors payment was deposited by AE Services in its account at Nordfinanz Bank in Zurich, Switzerland, from which it is currently untraceable.

Pitco, with accounts held at the British Bank of the Middle East in Geneva and the Continental Illinois branch in Geneva, is believed to be Parmanard International Trading Company, owned by the Hinduja brothers, although the brothers deny it. The brothers are originally from Sindh province in what is now Pakistan. Today they are based in London, the United States, Mideast countries, and India. They made their fortunes brokering deals in the 1970s between the Shah of Iran and the Indian government. They are also the marketers for the Indian film industry throughout the Mideast and Africa. The Indian film industry is the largest in the world, and is also believed to be a major channel of flight capital from India. The Hinduja brothers have prodigious ties to both George Bush and Margaret Thatcher.

The Hinduja brothers ran into serious trouble with former Indian Prime Minister Indira Gandhi in 1980. In 1979, the Janata Party government had utilized the services of the Hinduja brothers to negotiate the purchase of submarines from the German shipbuilder HKW. The deal was not yet concluded when Indira Gandhi came back to power in 1980. Discovering that the Hinduja brothers were expected to get a 7-10% commission on the deal, Mrs. Gandhi cut the Hinduja brothers out of all government projects. Her son Sanjay Gandhi then took over negotiations in an attempt to reduce the cost of the project, and eliminate the commission. The younger Gandhi was killed in a mysterious plane crash in 1980, before negotiations were completed. When the contract was finalized, the Hinduja brothers got their commission.

Today, the Hinduja brothers are the premier organizers for a “free-market India,” working in tandem with former Prime Minister Lee Kuan Yew of Singapore.

Who killed Yitzhak Rabin?

On Nov. 4, 1995, Israeli Prime Minister Yitzhak Rabin was gunned down as he entered his limousine, moments after leaving a 100,000-man peace rally in Tel Aviv. The gunman had managed to enter a highly secured area behind the podium, and shoot Rabin twice, from less than a yard away. Within two hours of the murder, the Israeli press identified the captured killer as Yigal Amir, a member of an anti-Palestinian Jewish group which had been demonstrating against Rabin for months. His group, Iyal, was notorious for depicting Rabin in Nazi uniform, in its posters. Amir proudly said he was acting alone, and that he murdered Rabin to stop the Israeli-Palestine Liberation Organization peace accords from being implemented.

Ever since the August 1993 surprise announcement that Israel and the PLO had struck a deal, Britain has been on a full-scale mobilization to stop the accords. At stake, is its

The Jonathan Institute: neo-cons, British agents

In 1976, the father of future prime minister Benjamin Netanyahu, Benzion Netanyahu, became the founding chairman of the Jonathan Institute. It was named after his oldest son, who died leading the Israeli commando raid at Entebbe, Uganda. The group was a main base of Benjamin Netanyahu's operations for years, and sponsored a series of international conferences that rallied Israel's racist right wing. One conference, in 1984, was chaired by Lord Chalfont, a former head of the Mideast division of British intelligence, and speakers included such neo-con luminaries as Sen. Daniel P. Moynihan (D-N.Y.), Jeane Kirkpatrick, terrorist expert Claire Sterling, and *Washington Times* publisher Arnaud de Borchgrave.

It was through his work at the Jonathan Institute that Benjamin Netanyahu built up his U.S. Republican Party contacts, who bankrolled his campaign for prime minister. These include Sen. Al D'Amato (R-N.Y.) and his aide Arthur Finkelstein, who ran Netanyahu's 1996 election campaign, and cosmetics king Ronald Lauder.

control of the Middle East, which has always depended on keeping the region at war, or near-war. Moreover, the deal threatened to end Britain's ability to use Mideast crises to shape the global political environment. Because British policy planners considered Rabin essential to implementing the accords, they considered his elimination a strategic necessity. Former Israeli Prime Minister Shimon Peres, and PLO Chairman Yasser Arafat, remain on a British hit-list, for similar reasons.

Now, one year after the murder, it is clear that Rabin's removal from the scene was of far-reaching significance. No one has proved capable of replacing him, and as a result, the Mideast is again heading toward war.

Within Israel, Benjamin Netanyahu, who was elected prime minister with a margin of less than 1% of the vote in May, has supervised this terrible transformation. He has been aided by Gen. Ariel Sharon, Israel's top warhawk, whom he appointed to his cabinet. Netanyahu campaigned against Rabin's successor, Peres, with the promise of reneging on every key feature of the accords, and since his election, he has made clear that that is one promise he intends to keep. For example, he ordered a new round of Jewish settlements in the occupied territories.

Netanyahu accelerated this reversal of the peace policy in September, when, acting against the advice of the Israeli military, he ordered the completion of a "tourist tunnel" along the Al-Aqsa mosque in Jerusalem. The issue was wildly provocative for several reasons. First, every Muslim cleric worldwide had condemned the proposed tunnel as a horrible sacrilege. Second, a group of "Temple Mount" cults had repeatedly tried, over the years, to blow up the Dome of the Rock and Al-Aqsa mosques atop Haram al-Sharif, and to rebuild Solomon's Temple in their place, increasing Muslim sensitivity about the site. Moreover, it is widely known that Netanyahu and Sharon control these cults. And further, the Palestinians were already in a state of extreme frustration, because of Netanyahu's repeated sabotage of the accords.

The results were predictable. The riots that Netanyahu deliberately unleashed, led to over 70 deaths. In their aftermath, Netanyahu ordered the Army to ring six major Palestinian cities on the West Bank with tanks. The Army has standing orders, in the "worst case scenario," to occupy the cities and disarm the 30,000 Palestinian police there. This action would likely trigger civil war, and possibly lead to war with Egypt and Syria. It seems that all that Rabin has sought to accomplish is about to be lost.

Setting up the hit

In order to prepare for Rabin's assassination, the British plotters launched an international media defamation campaign to politically isolate and discredit him. To do this, they called on the capabilities of the Hollinger Corporation, the owners of the London *Daily Telegraph* and the *Jerusalem*

Post. The firm has overseen an international British intelligence dirty tricks network, put together following World War II. Its board members are all old hands at this kind of business. They include former U.S. Secretary of State Henry Kissinger, former British Prime Minister Margaret Thatcher, and former British Foreign Secretary Lord Carrington. Lord Jacob Rothschild and former Israeli President Chaim Herzog, both top British intelligence operatives, are also members of the board.

As part of this campaign to discredit Rabin, Britain also rallied its "neo-conservative" apparatus in the United States, centered around the *American Spectator* magazine, the Anti-Defamation League (ADL) of B'nai B'rith, and related circles who dominated the Dole Presidential campaign. In addition to mobilizing against Rabin within the United States, this same apparatus promoted and bankrolled Netanyahu and Sharon.

And, at the same time, Britain unleashed its "Temple Mount" cults on a killer rampage. The United Grand Lodge of England's Quatuor Coronati lodge in London has always managed these cults. Their function was to supply the dupe used to murder Rabin; their kooky ideology was also useful in obscuring the British conspiracy behind the murder.

The first reaction by the opposition Likud bloc to the August 1993 announcement of the accords was low-key. The party was awaiting orders from abroad, and those orders were not long in coming. In early September, Netanyahu charged Foreign Minister Shimon Peres with high treason in the Knesset (Israeli parliament); Peres denounced Netanyahu with acting on behalf of U.S. financiers.

British agent of influence Henry Kissinger was the first prominent international figure to denounce the accords. Anyone who thought that the new accords would lead to peace were victims of euphoria, he told CBS News on Sept. 11, 1993. Two weeks later, Kissinger addressed Lord Rothschild's Institute for Jewish Affairs in London, and predicted that Jordan would disintegrate through an Islamic fundamentalist takeover, ending the possibility of implementation of the accords.

Then, on Oct. 11, Britain's "neo-conservative" apparatus pulled together an international conference against the accords, in Arlington, Virginia. That conference, which drew about 800 participants, began the on-the-ground international mobilization against the accords. "Americans for a Safe Israel," which sponsored the conference, is one of the mother organizations for the Temple Mount cults. It is run by Herb and Bert Zweibon, co-founders of the Jewish Defense League (JDL) with Rabbi Meir Kahane.

Among the top speakers there was Richard Perle, an official in the Reagan Defense Department, and a board member of the *Jerusalem Post*, who is now a foreign policy adviser to Netanyahu and Republican Presidential candidate Bob Dole. Uri Ra'anani, the British-trained former chief of intelligence of the ADL, also gave an address. The ADL is not only a



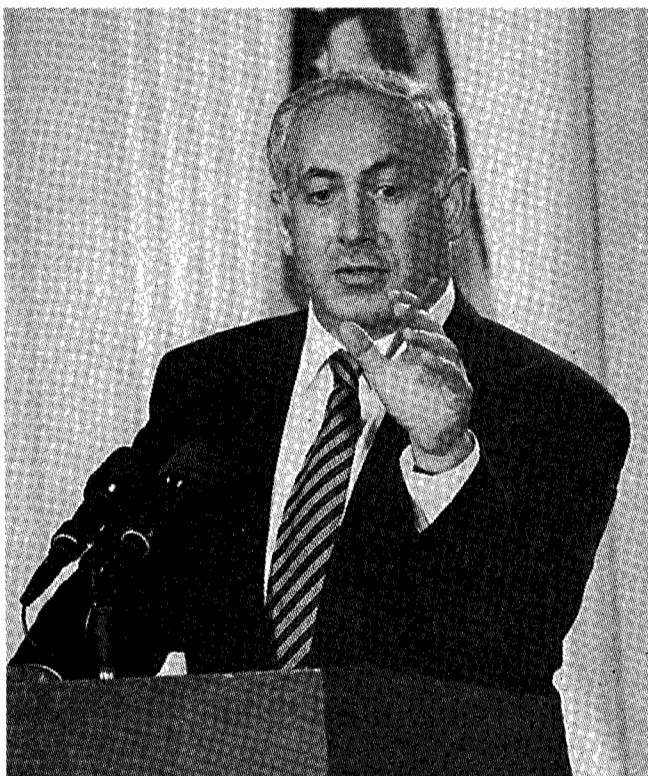
Israeli Prime Minister Yitzhak Rabin's decision to finally negotiate peace with the PLO made him a marked man. British intelligence considered his elimination a strategic requirement. Pictured here at a White House press conference on March 16, 1994.

leading element in the neo-con apparatus; it is also a masonic organization loosely affiliated with the United Grand Lodge of England. Bush Ambassador to the UN Jeane Kirkpatrick, another Dole adviser, was also a key speaker at the event.

Two weeks later, the same crowd organized a similar event at Brandeis University, which was addressed by *Jerusalem Post* editor David Bar-Illan, a longtime Netanyahu crony who now runs the communication department in the prime minister's office.

In October 1993, Sharon picked up on the theme, and began calling for settlers to resist the Israeli government. In November, Sharon toured the United States to mobilize against the accords, the first prominent Israeli figure to do so. In his keynote speech to a New York conference convened to oppose the accords, he raved that "the only barrier we have right now to a Palestinian state is the settlers. It is the 150,000 settlers that Rabin said he cannot defend who are really defending Jerusalem." Sharon was accompanied by Yechial Leiter, leader of the JDL and of the settlers movement.

In December, this mobilization picked up steam, when the *Jerusalem Post* claimed to have acquired government documents showing that the government planned to dismantle the settlements, and return Israel to its pre-1967 borders.



Since his May 1996 election, Israeli Prime Minister Benjamin Netanyahu has loyally followed the British script of attempting to plunge the Mideast back into war. Pictured at a White House press conference on July 9, 1996.

Mobilizing a mutiny

This mobilization bore fruit in February 1994, when a Jewish gunman killed 50 Muslim worshippers in a mosque in Hebron, to protest the accords. The gunman, Baruch Goldstein, was an official in the JDL West Bank settlement of Kiryat Arba. The settlement was also the home of Rabin's assassin, Yigal Amir. It was in order to raise funds for the settlement that Sharon had toured the United States four months earlier.

Prime Minister Rabin immediately denounced Goldstein and his cronies as an "errant weed," which, he said, "grew in a swamp whose murderous sources are here, and across the sea." The Israeli government soon declared the JDL and associate organizations illegal, and the United States followed suit. Britain and France refused to do so.

Despite the ban, the mobilization against the accords accelerated. In March, for example, Netanyahu's mentor, former Israeli Prime Minister Yitzhak Shamir, called for soldiers to disobey any orders to implement the accords. "If a commander orders a soldier to kill his mother, does he have to follow such an order? Evacuating Jews from their homeland [i.e., the occupied territories] is like killing their parents, their history."

While Shamir was calling for rebellion, ADL National Chairman Abraham Foxman, in the United States, was attempting to rally American Jewry against the Israeli government, and against the Clinton administration, for supporting the peace plan.

In a statement to the *Jerusalem Post* on April 2, 1994, Foxman condemned Rabin for trying to prevent the ADL from mobilizing against the Clinton administration. Foxman charged that Rabin and Peres had pressured the ADL not to push for an end of the Arab boycott of Israel, and not to insist that occupied East Jerusalem was part of Israel. The Rabin government, Foxman complained, is "undermining organized Jewry's clout."

Then, in July, a group of U.S. rabbis flew to Kiryat Arba, for a meeting at the home of former Chief Rabbi Schapira. There, they issued a religious ruling that it was against Jewish law for any soldier to comply with orders to dismantle Jewish settlements, resulting from the accords. Rabin immediately denounced the ruling on state radio. "It is inconceivable that we will turn the state of Israel into a banana republic," he said.

Countdown to the assassination

Throughout 1994 and into 1995, the media slanders, and cult rampage continued. Soon, Yigal Amir's group, and other groups, were holding weekly demonstrations in front of Rabin's home. Meanwhile, in the Knesset, Netanyahu and Sharon were increasingly more violent in their denunciations of Rabin.

In an interview with NBC on Nov. 7, 1995, Leah Rabin, Prime Minister Rabin's widow, described the climate of hate against her husband that had been created. "There was a climate that allowed this to happen, a climate of enormous violence, talking violence, picketing violently. People on the streets, posters, showed Yitzhak Rabin with the head cover of Yasser Arafat, calling him traitor, calling him murderer. Every Friday afternoon here in our street there were the same people coming and saying, 'Murderer, traitor, traitor, murderer.' And the last Friday, I came home at 3, left my car, and there they were. They had big yelling and big shouting, and then they said, 'Wait. In another year, in another year we will kill you both on the Kings of Israel Square'—that is where the rally took place, because they knew about the rally that was going to be."

Within the United States, the mobilization against Rabin also increased in intensity.

In the first week of October 1995, Yitzhak Rabin made his last visit to the United States, where he came into sharp conflict with the ADL and related neo-con outfits. Press accounts in the Jewish and Israeli press give the flavor of the confrontation:

- Jewish Telegraph Agency, Oct. 5: "In a series of meetings with Jewish leaders and journalists, Rabin targeted the

increasingly vocal segment of American Jewry opposed to his policies. . . . These latest encounters with American Jews came in the wake of last week's signing ceremony in Washington of the interim agreement between Israel and the Palestine Liberation Organization. . . .

"Rabin's comments made front-page news in Israel with *Yediot Aharonot*, the country's largest circulation newspaper, blasting the headline 'Rabin Against the Jews' in its Sunday edition. Another major Israeli daily, *Ma'ariv*, reported that Rabin had called groups opposed to his policies *muktzeh* (outside the pale). The paper quoted Abraham Foxman, national director of the Anti-Defamation League, and Seymour Reich of the American Zionist Movement, as saying the prime minister had made a major mistake."

- *Forward*, Oct. 20: "Yitzhak Rabin's Own Chutzpah," was the headline on an article by Likud ideologue Shmuel Katz. (The paper's editorial board is dominated by ADL officials.) It read: "Mr. Rabin accuses the American Jews of chutzpah because they protest against American money being given to Yasser Arafat. The chutzpah is all Mr. Rabin's. The protesting American Jews do not want their taxes to be used for the strengthening of a terrorist who—incidentally—means to bring about the destruction of Israel. These Americans still recoil at the recollection of that handshake on the White House lawn."

Accompanying Katz's article was an op-ed by Abraham Foxman, saying, "One can understand the passion of American Jews 'lobbying' against the policies of the Israeli government. Indeed, every caring Jew has a right to his opinion about the safety and security of Israel."

- *Washington Jewish Week*, Oct. 12: "American Jews Divided—Peace Process Opponents 'Treasonous'?" was the headline of an article. It said, "Late last month, Israeli Prime Minister Yitzhak Rabin lashed out at American Jews who lobby in Washington against the Israeli government's negotiating policy toward the Palestinians. Rabin told members of Jewish organizations that American Jewish groups should not lobby against the peace process in Congress."

"I have never before witnessed an attempt by [Jewish] Americans who live here to try to put pressure on the Congress against the policy of the government of Israel," Rabin said, according to a source who attended the private meeting. "This cannot be tolerated by any government of Israel." Rabin made similar remarks to reporters in New York and on a plane to Jerusalem, calling opponents' actions 'loathsome' and 'audacious.' "

The death order comes down

Rabin returned to Israel to face demonstrations in which the Temple Mount cults carried signs depicting him in Nazi uniform. On Nov. 4, a month later, Rabin was shot dead by Yigal Amir.

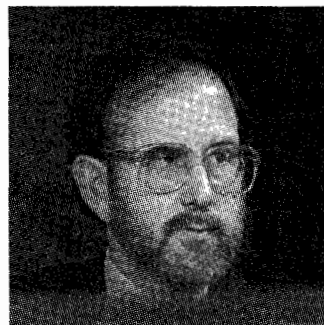
The death order against Rabin was issued by Brooklyn-

based Lubavitcher Rabbi Avraham Hecht, of Congregation Sha'are Zion, in an interview with writer Robert Friedman, that appeared in the Oct. 9, 1995 issue of *New York* magazine. Following the Rabin assassination, Yigal Amir said he was acting under rabbinical orders.

Rabbi Hecht is the "spiritual adviser" to one of the leading members of the ADL's "Millionaires Club," banker Edmond Safra. Safra, who owns a string of banks in the United States, Brazil, and Switzerland, which have been accused by the Drug Enforcement Administration of laundering drug money for the Syrian and Colombian cartels, made a \$1 million tax-exempt contribution to the ADL in the mid-1980s, and remains one of the League's largest donors.

The Ledeens and Temple Mount

Among the chief conspirators in the plot to blow up the mosques on top of the Haram al-Sharif, and to rebuild Solomon's Temple, is the husband-wife team of Michael and Barbara Ledeens.



Michael Ledeens

In 1982-83, while members of the Atzeret Cohanin yeshiva were tunnelling under the Temple Mount, the above-ground propaganda drive for rebuilding the Temple was being run by the Washington, D.C.-based magazine *Biblical Archaeology Review*; for example, in its March 1983 cover story, entitled "Where Was Solomon's Temple?" The assistant editor of *Biblical Archaeology Review* at the time, was Barbara Ledeens, who told reporters when contacted about the cover story, "That's my baby!" The magazine serves as an outlet for the Quatuor Coronati lodge. Her husband, Michael Ledeens, was then a consultant to the U.S. National Security Council, and a key figure in the Bush apparatus.

When *EIR* exposed the Temple Mount project in 1983, Barbara Ledeens was abruptly removed as assistant editor of the magazine. Michael then wrote a several-page "damage control" story about the plot, which he circulated widely around Washington, including in the U.S. State Department.

The 'Temple Mount' patsy factory

Rabin gunman Yigal Amir is the product of a British-controlled Jewish cult, dedicated to blowing up the Dome of the Rock and Al-Aqsa mosques atop Haram al-Sharif in Jerusalem, and rebuilding Solomon's Temple in their stead. It was, at the latest, during his training in the Kerem B'Yavneh yeshiva, a hot-bed of this cult, that Amir was tracked by the British network that controls it.

Control over the cult is maintained by the Quatuor Coronati lodge of the United Grand Lodge of England, which was established in 1884, following the visit of the Prince of Wales (the international head of Freemasonry) to the Holy Land. The Masons claim to be descended from the original Phoenician builders of the Temple, and Masonic ideology contributed, in part, to Lord Palmerston and the Earl of Shaftesbury creation of the Zionist movement in the 1840s. Destroying the Dome of the Rock mosque (from where Muslims believe Mohammad ascended to Heaven), in order to build the Third Temple, was also considered an efficient way to generate decades-long Islamic-Jewish religious conflict in the Mideast.

Within Judaism, the elements assembled around this alien cult were led by Rabbi Avraham Isaac Kook, the British agent who became the first Chief Rabbi of Israel, and Zionist leader and fellow British agent Vladimir Jabotinsky. Their branch of Zionism has always been dedicated to destroying the Islamic and Christian holy places in Jerusalem, and creating a paganized Judaism practicing animal sacrifice at their temple. Kook was the spiritual adviser to Jabotinsky's Irgun, and Benjamin Netanyahu's father, Benzion, was Jabotinsky's secretary.

In 1921, Kook formed the Torat Cohanim Yeshiva in Jerusalem, which was dedicated from its inception to seizing control of the Haram al-Sharif, the Muslim complex in which the Al-Aqsa mosque is located, in order to rebuild Solomon's Temple there. The founding document of the yeshiva makes clear the connection between Jabotinsky's Zionism and Kabbalistic paganism. It reads, in part: "In this epoch of national [Zionist] awakening, an establishment such as this is of paramount importance. The main pillar of our present revivalism is based on a deep-seated hope of old to see once more the priest and Levites performing their sacerdotal rites [i.e., sacrificing animals]. God's message concerning the rebuilding of the temple and the renovation of the sacerdotal rites will certainly be fulfilled very shortly."

Although these elements within the Zionist movement were always dedicated to this pagan objective, it was only after the Israeli Army seized control of East Jerusalem and the West Bank in 1967, where many of the key Islamic and



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Christian holy sites are located, that their gameplan was put into motion. In that year, Asher Kaufman, an operative of London's Quatuor Coronati lodge, arrived in Jerusalem to oversee an assault on Jerusalem's holy places, both Christian and Islamic, and to create a cultist movement useful in deploying assassins and terrorists.

One of the first persons Kaufman began to work with, was Kook's son, Rabbi Zvi Yehuda Kook. The younger Kook promptly became a key ally of Kaufman in the plot against the Haram al-Sharif, and he simultaneously deployed his followers to open up the Kiryat Arba settlement outside of Hebron, and charged them with taking over the Muslims' Cave of the Patriarchs. Rabin assassin Yigal Amir's yeshiva was created by this Kook-ist movement.

One of Kook's most important protégés was Rabbi Meir Kahane, the founder of the Jewish Defense League. Another top protégé was Rabbi Moshe Levinger, the founder of the associated Gush Emunim (Bloc of the Faithful), the political heir of Kahane.

In 1978, two disciples of Rabbi Zvi Kook, Mattiyahu Dan and Rabbi Shlomo Aviner, established the Ateret Cohanim (Priestly Crown) Yeshiva in the Muslim quarter of occupied East Jerusalem. Both Dan and Aviner were officers of Israel's domestic intelligence service, the Shin Bet, and were deployed by Gen. Ariel Sharon.

The stated purpose of their yeshiva was to train rabbinical

students in animal sacrifice, which was to be practiced in the rebuilt temple. In 1980, Dan established the Jerusalem Reclamation Project to buy up the Arab quarter of the city, in order to make Jerusalem Muslim-free.

In 1982, Dan et al. began to secretly tunnel under the Haram al-Sharif, in order to dynamite the Islamic holy sites on top. Also in 1982, a JDL member named Alan Goodman walked onto the Haram al-Sharif and began firing on Muslims at worship, killing one.

In 1984, Irving Moskowitz of Florida, a board member of the Ateret Cohanim, founded the American Friends of Ateret Cohanim to provide a funding channel for these terrorists. Contributors included Marc Belzberg, a Canadian real estate developer, and Cyril Stein, a top figure in the British gambling syndicate.

Speakers at the American Friends of Ateret Cohanim fundraising events have included Benjamin Netanyahu, who keynoted their founding annual dinner in 1987. Ariel Sharon and Israeli President Chaim Herzog (also a board member of Hollinger), have also spoken at their events. In 1990, Jeane Kirkpatrick gave the keynote at the group's annual banquet. In 1991, Sen. Alfonse D'Amato (R-N.Y.) gave the keynote. And in 1992, Netanyahu's longtime close friend, U.S. Secretary of Housing and Urban Development Jack Kemp, gave the annual address.

Moskowitz was the first person that Netanyahu called, after he opened the tunnel under the Al-Aqsa mosque. In 1995, according to Internal Revenue Service records, he was giving the Temple Mount crazies \$6 million a year.

The case of Cyrus Hashemi

Among those arms dealers and others who met premature and unexpected deaths was Cyrus Hashemi, an Iranian expatriate banker and weapons dealer who played a crucial role in arms deals with Iran up until his sudden death in 1986.

"Doctor" Cyrus Hashemi had a long and checkered career, and was reportedly recruited by the CIA no later than 1975. A couple of years later, he was sponsored by a group of wealthy and well-connected Middle East investors around the First Arabian Corporation, a number of whom, such as the Saudis Ghaith Pharaon and Kamal Adham, were also among the primary investors in the Bank of Credit and Commerce International (BCCI).

In August 1978, Hashemi was detained at Charles de Gaulle airport in Paris, attempting to use a Knights of Malta document as a diplomatic passport. Hashemi reportedly often

represented himself as the "foreign minister" of the Order of Malta.

The full story of Hashemi's life and death is detailed in the 1992 *EIR Special Report*, "Treason in Washington: New Evidence on the 'October Surprise.'" *EIR* showed that Hashemi and his lawyer-business partner, J. Stanley Pottinger, played a crucial role during the 1980 hostage crisis around the issues of the Shah's wealth and the frozen Iranian assets. *EIR* showed that Hashemi's and Pottinger's manipulation of these issues played a critical role in delaying the release of the American hostages until after the 1980 elections.

It is not irrelevant that Pottinger, who described himself as a close friend of George Bush, was also in line to become Attorney General in the new Reagan-Bush administration until his role with Hashemi was exposed. After *EIR* identified Hashemi as a conduit for Iranian funds into U.S.-based terrorist groups, Hashemi, with Pottinger as his lawyer, filed a lawsuit against *EIR* in 1980; the case was dismissed in 1983 after Hashemi repeatedly refused to comply with court-ordered discovery.

During 1980, Hashemi and Pottinger were already helping to supply Iran with urgently needed arms and spare parts in violation of the Carter administration's arms embargo. During the first two years of the Reagan-Bush administration, they were permitted to arrange large shipments of arms, ammunition, and even C-4 explosives to Iran—far larger and more deadly than the arms shipments arranged by Oliver North and company during 1985-86, which came in for so much scrutiny and investigation. The Hashemi-Pottinger shipments were *never* investigated by Congress—even though the information was known.

Hashemi was finally indicted in 1984 for the relatively small shipments made to Iran during 1979-80, but he was tipped off by the Justice Department and was allowed to flee the country. Pottinger was also scheduled to be charged, as the result of aggressive action by the FBI and federal prosecutors in New York, but at the last minute a set of crucial surveillance tapes "disappeared," allowing Pottinger to escape indictment altogether.

None of this slowed Hashemi down. Court documents later showed that Hashemi participated in a July 1985 meeting with then-Israeli Prime Minister Shimon Peres and Saudi arms dealer Adnan Khashoggi, to discuss selling arms to Iran through Israel. A month earlier, Hashemi had brought Khashoggi together with Manucher Ghorbanifar, another Iranian involved in the Oliver North-Richard Secord arms-for-hostages deals with Iran. Hashemi was also involved during this time in arms shipments to the Contras, to Jonas Savimbi's guerrillas in Angola, and in weapons transactions involving China and India.

The 'sting' man

At the end of 1985, U.S. Customs officials approached the CIA to get clearance to use Hashemi in a "sting" operation

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CONTRAGATE LATEST

N.J. cemetery plot thickens mystery

By TONY BURTON

San Francisco Times

The story of international intrigue, secrets from the past, and the mystery of a man who was supposed to have been killed in a plane crash, is now being unraveled in a New Jersey cemetery plot.

Wandering if assassins from international terrorism had been involved in the plot, the government says the bodies were buried in the cemetery in 1986.

Misadventure. "Would Misadventure have been involved in the plot? The bodies were buried in the cemetery in 1986."



Photo by AP Wirephoto

U.S. DROPS CHARGES IN IRAN ARMS CASE

Says It Is Unable to Prove It Did Not Believe They Had Washington's Backing

By ARNOLD N. LUBASCH

Federal prosecutors dropped all charges yesterday in a 1986 indictment charging a London lawyer, a retired Israeli general and nine other men with plotting to sell more than \$2 billion in American-made weapons to Iran.

The government's action ended an unusual criminal case, one that the prosecutors were compelled to reconsider after revelations that officials in the Reagan Administration had secretly sent weapons to Iran in violation of United States regulations.

From the beginning, it was a case of international intrigue, with a sting operation that caught Americans, Europeans and Israelis in a plot to sell missiles, missiles and other sophisticated weapons.

The main defendant was Samuel Frank, an American lawyer based in London whose clients have included



Photo by AP Wirephoto



Photo by AP Wirephoto



Photo by AP Wirephoto

AT A GLANCE WHO FACES THE MUSIC?

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U.S. Sen. Oliver North, 42, first National Security Council aide. The House has to pass the Iran-Contra legislation before it can be sent to the president.

Iran arms-smuggling trial records suggest tie to Bush

By J. H. Doyle

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vociferous in claiming that he had been murdered. "Cyrus knew too much," Jamshid told the London *Observer*. "He had grown too big. He was no longer taking orders and had to be silenced."

An American lawyer who had worked with Hashemi for many years told *EIR* that he believed that "somebody hastened Cyrus's departure from this earth." The lawyer, like almost everyone else who knew Hashemi, said that Hashemi had crossed so many people, including the Mossad, the CIA, and the Iranians, that any of them could have done it.

At least one of the defendants asked that Hashemi's body be exhumed for a second autopsy, a request which the government opposed.

A March 23, 1987 letter from a defense attorney to the court cited published statements by a "Mr. Meheran," an individual whom the government had identified as being videotaped in meetings with Cyrus Hashemi and Samuel Evans. "Meheran" only identified as an Iranian-born U.S. citizen, was quoted by a London paper as saying that U.S. Customs agents had told him on three occasions that Hashemi had been "got rid of" by an unidentified U.S. government agency because he knew "too much" about U.S. secret arms shipments to Iran. The defense lawyers told the court that they had met personally with "Meheran," and that he had told them the same thing.

A defense motion submitted in June 1987 pointed out, that although the government was ridiculing the notion of foul play in the death of Hashemi, "a Congressional investigator has made two trips to England to meet with the government and medical authorities familiar with the Hashemi case." A Congressional source was quoted by the *Los Angeles Times* as saying, "Given all the circumstances, we'd be ignoring our responsibility if we didn't follow up what is, at the very least, a mysterious death of an important link" in the Iran arms affair.

The defense motion also quoted the *Los Angeles Times* as saying: "The investigating committees are likely to be interested in the apparent relationship of the British intelligence service, MI-6, to some of the doctors in the Hashemi case. Sources in London and Washington said that a specialist brought in for consultation was introduced to the attending physician by an intelligence official."

Nevertheless, the government refused to conduct any inquiry into Hashemi's death.

Bush in the spotlight

In court pre-trial proceedings, lawyers for the arms dealers introduced transcripts of telephone conversations indicating that George Bush had approved of the planned arms sales. A retired U.S. Army Special Forces colonel, John H. de la Roque, told Hashemi in February 1986: "It's gone as far as the vice president." De la Roque stated: "The vice president—and he's his own man at this point—he's for it. . . . You know who he is. He used to be the head of the CIA, so he knows

what he's doing."

Samuel Evans was overheard telling Hashemi on that same day: "The green light now finally has been given, [that] Bush is in favor, Shultz against."

Requests for pre-trial discovery of evidence sought evidence from numerous government offices, with the Office of the Vice President leading the list in many instances.

On Nov. 12, 1986, one of the defendants, Gurriel Eisenberg, attempted to subpoena George Bush for his trial. An affidavit submitted by Eisenberg's attorney stated: "Tape recordings furnished to defense counsel by the government suggest that the defendants believed that the sale of arms was being considered and would be approved by Vice President Bush. The testimony of the vice president is necessary in order to establish that defendant Eisenberg's belief was reasonable."

The trial was continually delayed as more and more information about the "Iran-Contra" arms sales came out, and as the government stalled and stonewalled on discovery requests. Ultimately, the government dropped the charges, rather than face a trial in which the issue would become, "What did Bush know?"

On Jan. 4, 1989, shortly before the inauguration of George Bush as President, the government filed a *nolle prosequi* dismissing the indictments. Among the reasons given by the government to justify dropping the case, was the death of one of their key witnesses, Cyrus Hashemi.

George Perry and the Tabatabai bust

On April 8, 1983, some men fishing in Lake Tiorati in Harriman State Park, north of New York City, found the body of 64-year-old businessman George Perry. Perry had been shot in the head three times, and weights were attached to his legs. Police theorized that the body may have been dropped in the lake from a helicopter.

Perry had disappeared from his Manhattan hotel room exactly three months earlier, on Jan. 8, 1983. That was the same day that Iranian special envoy Sadegh Tabatabai was arrested at the airport in Düsseldorf, West Germany, with four pounds of raw opium in his suitcase. Tabatabai had been an important intermediary in the 1980 hostage negotiations, meeting frequently with West German Foreign Minister Hans-Dietrich Genscher, and with U.S. Deputy Secretary of State Warren Christopher. Tabatabai's sister was married to Ayatollah Khomeini's only surviving son, Ahmed.

Were the arrest of Tabatabai and the murder of Perry connected? Some West German officials thought that Tabatabai

tabai had been paying for arms shipments with drugs. An account published in West Germany said that the CIA had planted the drugs on Tabatabai in order to sabotage his arms deals. The story also circulated that Tabatabai believed Perry had planned the operation, and ordered him killed in retaliation.

Perry had grown up in Prague, and worked for the OSS during World War II. After the war, he served as a briefing officer at the Nuremberg Tribunals. Perry travelled widely, spoke six languages, and had business dealings all over the world, but especially in West Germany, Switzerland, Britain, Brazil, and Saudi Arabia. At the time of his disappearance, he was an international trade consultant for Stiiil, Inc., of São Paulo, Brazil.

In November or December 1982, Perry served as an intermediary in an arms deal between Joseph Vanacek, the president of Stiiil, and Sadegh Tabatabai. Perry arranged for Tabatabai and Vanacek to meet in Zurich in December 1982, at which meeting Vanacek agreed to sell \$1 billion in arms to Iran. The contract was to be drawn up in Switzerland, and the arms shipped from Brazil. But before the deal was consummated, Tabatabai was arrested in Düsseldorf.

On the weekend that Tabatabai was arrested, Perry was supposed to meet Vanacek in Zurich and then accompany him on a business trip to East Germany. However, Perry cancelled his plane reservations to Zurich, and apparently never left New York.

The head of Stiiil's New York subsidiary, Sucotec, Inc., was Milan Jedlicka, a relative of Vanacek. In June 1982, Jedlicka had pled guilty to conspiring to sell nearly 13 pounds of cocaine, but, incredibly, he was only sentenced to probation for three years. The key person in the conspiracy, according to police, was John Henahan. Henahan had apparently seen too much, for while he was awaiting sentencing, he was shot and killed with bullets through his eyes. Two weeks later, the prime suspect in Henahan's death was also killed.

In 1991, during a divorce proceeding in Queens, New York, Jedlicka's former wife Hermi stunned the courtroom when she said that her ex-husband had received a \$150,000 payoff for arranging for Perry's murder. She said that Jedlicka had accused Perry of "not dancing to the right tune" in certain business arrangements.

Sources told the New York *Daily News* at the time that Perry may have unwittingly gotten involved in a deal to exchange F-15 fighter planes from Brazil for cocaine from Iran.

Some other strange deaths

Gen. René Audran of France was killed by *Action Directe* terrorists on Jan. 26, 1985. General Audran was engineer of armaments and head of the international department of the French Defense Ministry. According to the Babra report, he was knowledgeable about the arms shipments to Iran by the Luchaire Company, and may have been trying to stop them.

Rear Adm. Carl Algernon of Sweden allegedly fell to his death under the wheels of a Stockholm subway train on Jan. 15, 1987. Algernon was the war matériel inspector of the Trade Department of the Swedish Foreign Ministry, in charge of issuing export licenses for weapons shipments. He died a few days before he was scheduled to testify concerning the illegal Bofors arms sales to Iran.

Stefan Ruedell of Germany allegedly committed suicide on Oct. 29, 1987. Ruedell had reportedly been spying on the Social Democratic Party leadership in Schleswig-Holstein on behalf of the Christian Democrats; his death is thus linked to that of Uwe Barschel.

Hans-Joachim Knack, the undersecretary of the Interior Ministry of Schleswig-Holstein, died on Nov. 9, 1987. His death was attributed to a heart attack. Knack was about to testify before a state parliamentary committee in Kiel on the Barschel affair.

General Giorgieri of Italy was assassinated by terrorists on March 21, 1987 in Rome. On Nov. 6, 1987, *La Stampa* of Turin linked the murders of Palme, Giorgieri, and French General Audran with illegal arms deals with Iran. *La Stampa* said that Giorgieri and Audran worked together closely.

Herbert Amry, Austrian ambassador to Greece, died in July 1985, allegedly of a heart attack. Amry had told a commission of inquiry in Vienna that field guns sold to Greece by the Austrian company Voest-Alpina were being channelled to Iran.

Heribert Apfalter, general director of the Austrian state-owned armaments company Voest-Alpina, died on Aug. 26, 1987, also attributed to a heart attack. Apfalter was stricken several days before he was scheduled to testify before the Austrian government commission of inquiry into Voest-Alpina artillery shipments to Iran.

Amiram Nir, counterterrorism adviser to Israeli Prime Minister Shimon Peres, was designated in July 1985 as the only non-American member of the Vice President's Task Force on Combatting Terrorism, headed by George Bush. He became heavily involved with Oliver North and Robert McFarlane in the Iranian arms-for-hostages deals, and he met Bush in Jerusalem in summer 1986. In May 1985, John Poin-dexter sent a message to North complaining that Nir was talk-

ing too much about U.S. arms deals for Iran; he wrote: "What the hell is Nir doing? We really can't trust those sob's."

Nir died in the crash of a light plane in Mexico on Nov. 29, 1988. The plane in which he was flying was owned by Lonrho. Nir had been hired as a consultant by Lonrho chairman Tiny Rowland, and was ostensibly in Mexico, to visit avocado farms. There was a likelihood that Nir would have been called as a witness in the trial of Oliver North and other Iran-Contra defendants, where he could have testified about Bush's personal participation in the arms-for-hostages arrangements.

Alois Weichselbaumer, an Austrian arms dealer, died in Linz on Feb. 8, 1989, allegedly of a heart attack.

Lakowski, the general director of the Rotterdam office of IMOG, the shipping subsidiary of Alexander Schalck-Golodkowski's firm Deutrans, died of a sudden heart attack in February 1990.

Uwe Harms, a Deutrans representative, died under mysterious circumstances in February 1990 in the Hamburg office of the Deutrans partner firm Richard Ihle.

Rashid al Jarrah of Saudi Arabia died in Lugano, Switzerland on Oct. 12, 1987, hours before he was to be handed over by the Swiss to the Italian authorities. His death was attributed to heart attack, although he was only 25 years old. Al Jarrah was part of an arms-trading ring that operated in Italy, Lebanon, and Yugoslavia under the cover of a toy-factory, also producing pen-guns. One named associate at the time, the Swiss-Hungarian Peter Jenney, who has been implicated in the Iran arms deliveries of the Italian company Borletti, has never been indicted.

Col. Gerald Clarke, head of G-2 Army Intelligence for the U.S. Southern Command in the Panama Canal Zone, with oversight for the entire Caribbean and Central American region, died on Feb. 28, 1989.

Gen. Gustavo Alvarez, chief of staff of the Honduras Armed Forces, was killed in early 1989. General Alvarez was deeply involved in Contra operations and Contra-related drug-trafficking, and was knowledgeable about the operations of Felix Rodriguez, who was deployed directly out of the office of Vice President Bush. A few weeks after the general's death, his lawyer was also machine-gunned.

Barry Seal, a top agent for the Bush drug-trafficking team, he was given official Drug Enforcement Administration-protected informant status, on the orders of Bush's Drug Task Force. His former lawyer, Richard Ben-Veniste, said, "I did my part by launching Seal into the arms of Vice President Bush, who embraced him as an undercover operative." A former Internal Revenue Service investigator said, "Seal used to brag he could call George Bush at any time." Seal's operation, based at Mena airport in Arkansas, is estimated to have brought \$3-5 billion of drugs into the United States. His usefulness at an end, he was denied security protection while being ordered to report to a half-way house in Baton Rouge, Louisiana, although it was known that the Colombian drug

cartel had him under surveillance. Seal was gunned down on the street near the halfway house in February 1986.

Emile Camp was an expert pilot who flew for Barry Seal, and was the only witness to many of Seal's important transactions with Colombian drug lords and with U.S. intelligence officials. In February 1985, his elaborately equipped plane inexplicably ran out of gas on a routine approach into the Mena airport, and crashed into the Ouchita Mountains in Arkansas.

Steve Carr was a Contra mercenary based at the John Hull ranch in Costa Rica who knew too much about drug shipments, and who told some of his story to the *Miami Herald* in July 1985. He was found dead in Van Nuys, California, on Dec. 12, 1986; press reports said that he had ingested three bags of cocaine, although three separate autopsies reported otherwise. Carr had told friends and associates that he feared for his life, from "Hull's hired guns." Hull himself is reported to have threatened another witness, shouting, "The CIA killed Steven Carr, and they can do the same to you."

Robert McFarlane, who was national security adviser from 1983 to the end of 1985, attempted to kill himself in February 1987, after the public disclosures of the Iran arms-for-hostages deals in which he was deeply involved. His attempted suicide has never been satisfactorily explained, least of all by him. Some have suggested that McFarlane was being blackmailed.

Sheikh Salim bin Laden was killed in a plane crash in Texas in August 1988. He was a board member of the Bank of Credit and Commerce International, the principal financing conduit for the Afghanistan War and arms shipments to the mujahideen. A prominent Anglophile, he was only one of four Saudis allowed to join Prince Philip's "1001 Club," which finances the British royal family's World Wide Fund for Nature. He was a cousin of Osama bin Laden, a principal financier of Afghansi terrorists to the present day.

William Colby. On Saturday, March 27, 1996, former the former director of the CIA disappeared, reportedly while boating near his weekend cottage on the eastern shore of Maryland. One week later, Colby's body was found less than a mile from the cottage. His death was declared an accident, likely caused by a heart attack, which led to his drowning. Close associates of Colby's doubt that the death was an accident.

Colby had been a driving force behind Nebraska state senator John DeCamp's probe into a politically influential pedophile ring, operating in Omaha and Washington, that was intimately tied to the circles of President George Bush, and was implicated in some of the crimes of the Reagan-Bush "secret parallel government," including money-laundering for the Contras. At the time of his death, Colby was writing a regular column for the newsletter *Strategic Investment*, published by Britain's Lord William Rees-Mogg, a leading Club of the Isles propagandist against the U.S. Presidency, since the election of Bill Clinton. Yet, Colby's wife, Sally Shelton-Colby, was holding an important position in the Clinton administration.

'Paris Review' goes to Kabul

The potential for a tidal wave of destabilization of all of West, Central, and South Asia to arise out of the events of the week of Sept. 23, 1996, cannot be underestimated. On Sept. 27, Israeli soldiers shot worshippers as they were praying *inside* the Al-Asqa mosque, one of the holiest sites of Islam, in Jerusalem—a provocation of the highest order to the entire Islamic world. On the other side of the spectrum, the Sunni fundamentalist Taliban strode into the capital city of Afghanistan on the very same day, and immediately laid down its version of the Islamic *sharia* law, forbidding women to work with men, and requiring that all males have untrimmed beards; and then proceeded to summarily execute, and then drag through the streets, and hang on display, the dead bodies of former Afghan President Mohammed Najibullah and his brother.

Among other events, the way was paved for these atrocities by the strategic assassinations of Israeli Prime Minister Yitzhak Rabin and of Indian Prime Minister Rajiv Gandhi (see Chapter 4). Both were martyred on the satanic altar of those who seek a "clash of civilizations," an armageddon of chaos and war in the entirety of Central Asia and environs, in their ruthless pursuit for strategic control over that crucial region that links Asia to Europe, Africa, and Russia. All the central figures of the "explosives cartel" subscribe to the demand that—instead of the development of Asia, linked to that of Russia and China, impelling cooperation among nations and peoples—West, Central, and South Asia must become a cauldron of war and destabilization unleashed by an *orchestrated* "clash of civilizations."

Hence, it is not surprising to find the paw marks of the likes of John Train or Jimmy Goldsmith, or their *Paris Review* chum Sadruddin Agha Khan, all over areas such as Afghanistan, Pakistan, Uzbekistan, and Tajikistan. Afghanistan stands at the center of events that will decide which way all of Europe and Asia will go: world war, or peaceful coexistence grounded in economic development.

The Taliban is just the latest of the abominations to emerge from the efforts to prolong Afghanistan's civil war—blocking the gateway from the Indian Ocean to Central Asia and the development of this vast and resource-rich region.

Already, the Afghan war has reduced the population inside the country from 16 million to 9 million people; 5 million people have fled the country, and 2 million people have been killed, since the war began with the Soviet military invasion of Afghanistan in 1979. The Anglo-American covert support operations for the Afghan mujahideen (freedom fighters)

from 1980 to 1989, have proven to be an unmitigated disaster.

The Anglo-American "secret war" in Afghanistan was launched by then British Prime Minister Margaret Thatcher and Lord Nicholas Bethell in 1980, when the two came to the United States to organize groups that would provide funding, and logistical and propaganda support for the Afghan mujahideen. John Train's Afghan Relief Committee, organized in 1980 for the purpose of boosting the prospects particularly of Gulbuddin Hekmatyar, was one such outfit.

The fruits of the Afghan war

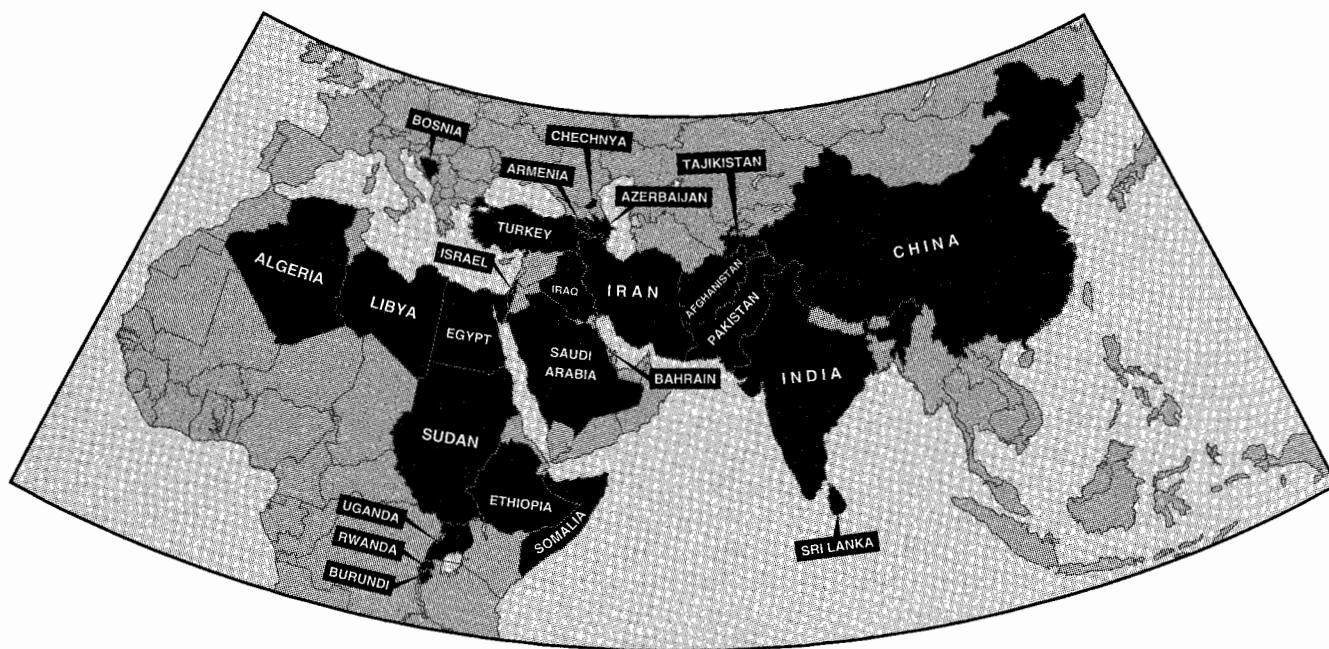
Officially, the U.S. government poured \$3 billion into the Afghan war, and organized similar large donations from the governments of Saudi Arabia, Egypt, Kuwait, and China. Out of this effort have emerged these results:

- The creation of the Golden Crescent of drug production and marketing. By the mid-1980s, Bethell's mujahideen were supplying half the heroin consumed in the United States alone. Between 1980 and 1989, opium production in the Golden Crescent skyrocketed from slightly more than 100 tons to 2,800 tons. And radiating out of Afghanistan, drugs have become big-time business for mafias in the newly independent countries of Central Asia, a business fueled in part by the massive expansion of the dope market in eastern Europe, Russia, and Central Asia itself.

- Global money-laundering operations. The covert operations that crisscrossed Afghanistan and environs required secret banking arrangements. Laundering of drug proceeds, and secret accounts for massive and illegal arms deals that siphoned off arms officially designated for Afghanistan to such locations as Iran or Nicaragua, required a new kind of banking. Karachi's Bank of Credit and Commerce International (BCCI), of Pakistani banker Agha Hasan Abedi, was seized upon to fulfill this role. At the point that it was shut down by the Bank of England in 1990, BCCI had a total of \$23 billion swirling around in its myriad global accounts (the bulk of which has disappeared).

- The criminalization of Pakistan. Not only did the growing drug production inundate Afghanistan with drugs, but the drug flow through Pakistan resulted in the addiction of more than 1.3 million people in this country, and the degeneration of its major port city, Karachi, into a drug-gangland far more dangerous than 1920s Chicago. The mujahideen war in Afghanistan has spilled across the border into Pakistan—which had agreed to serve Anglo-American interests as the forward

The 'Arc of Crisis' in conflict and war



Key for Map 2

Algeria: Since 1992, Algeria has been in a near civil war, pitting the government against the Islamic Salvation Front. Bloody terrorist actions by the Islamic Armed Group (GIA), led by former Afghan mujahideen, have fueled the fighting.

Libya: Increasing domestic discontent, including riots in 1995, have raised questions about the future of the Qaddafi regime.

Egypt: British-steered "Islamic" strife, blamed on Sudan, threatens to trigger a Sudanese-Egyptian conflict.

Sudan: The British-backed insurgency in southern Sudan continues, and threatens to expand the conflict with Ethiopia and Uganda, which are supplying the rebellion under British direction.

Rwanda and Burundi: Having taken over Rwanda, Uganda's Tutsi forces are moving against Burundi.

Somalia: Despite the UN intervention, the clan-based civil war has no end in sight.

Turkey: The Kurdish insurgency, directed out of London and aided by Syria, continues in southeast Turkey.

Iraq: The Anglo-American- and French-fueled Kurdish conflict in occupied northern Iraq continues.

Saudi Arabia: The increasing frequency of terrorist operations indicates the regime's instability.

Israel: Prime Minister Benjamin Netanyahu's promotion of Jewish fundamentalist efforts to destroy Islamic holy places, is leading toward a new Arab-Israeli war.

Iran: Iran remains a target of sporadic attacks by the British-run Mujahideen e Khalq, based in Iraq. It is also faced with threats from the West, and from the Taliban in Afghanistan.

Armenia, Azerbaijan, Chechnya: The war in the Caucasus region continues, fueled by British and NATO arms supplies to all sides in the conflict. Afghani veterans have been aiding the Azeris and Chechens.

Afghanistan: With the recent British-run Taliban takeover of Kabul, the Afghanistan conflict has reemerged as a threat to the stability of the entire region.

Tajikistan: The Tajik civil war threatens to expand, with the opposition forming an alliance with the Taliban.

China: The Uighur Turkish insurgency in Xinjiang China, bordering Central Asia, has been increasing in intensity since 1992.

Pakistan: The British-orchestrated Shia-Sunni conflict has made Karachi a new Beirut, while the rise of the Taliban threatens to lead to new Afghan claims on Pakistani Baluchistan and "Pushtunistan."

India: Afghani veterans are active in war-torn Kashmir.

Sri Lanka: The British SAS-trained, Afghan mujahideen-supplied Tamil insurrection continues.

base for the secret Afghan war. Terrorist incidents are now a daily occurrence in Pakistan.

- The creation of the Afghansi. Even aside from the Taliban, which consists of regrouped mujahideen and their leaders, it is believed that the Bush secret war in Afghanistan has spawned a mercenary force of some 10,000 "Afghansi," armed, trained, and ready for deployment in any location. Culled from the ranks of not only Afghans, but the foreign mujahideen who came to join them in the war against Moscow, the "Afghansi" include 5,000 Saudis, 3,000 Yemenis, 2,000 Egyptians, 2,800 Algerians. Since the beginning of the 1990s, they have been activated in such disparate areas as North Africa, the Arabian Peninsula, China, Kashmir, Bosnia, the Philippines, Tajikistan, and New York City.

The "Afghansi" are to be seen today as a subset of British intelligence—no matter what their own beliefs on the matter might be. One of the leading training groups operating in Afghanistan was the British Army's Special Air Services (SAS), and its private security-forces offspring. The most notable of these operating in the Afghan theater, is Keenie Meenie Services (KMS), which was among the agencies training the mujahideen.

Today, this deployable force of Afghansi finds safe haven notably in two places: Afghanistan itself, and London, as *EIR* has documented, and as the governments of Israel, France, Pakistan, and Egypt, victims of Afghansi terror, have all complained loudly at various times over the last two years.

The set-up

From the standpoint of U.S. national strategic interests, it is difficult to imagine a more catastrophic operation than George Bush's secret war in Afghanistan. The deployment of the Taliban now inside Afghanistan—a venture believed to be aided by sections of the U.S. military—is a harbinger of permanent destabilization in the region. The underlying motive of this venture was scripted in London, by the hand of British intelligence agent Bernard Lewis, who conjured up the plan that the nations of West and South Asia should be carved up into many ethnic "stans"—to be subsumed under overall imperial rule, on the model of the Roman Empire. In 1992, Lewis updated his thoughts in the New York Council on Foreign Relations magazine *Foreign Affairs*, predicting the "Lebanonization" of all of Central Asia reaching into the Indian subcontinent.

In the United States, this policy was sold in the late 1970s, under the rubric of the "Arc of Crisis." The idea was to ignite the flames of ethnic and religious conflict all along the southern-tier border of the Soviet Union. As Carter National Security Adviser Zbigniew Brzezinski said in motivating U.S. support for the Khomeini revolution in Iran in 1979: "Islamic fundamentalism is a bulwark against communism."

However, despite the collapse of Soviet communism, and despite the disastrous results of this policy, as carried out in Afghanistan, for the United States and its allies, the policy re-

mains in full force. This is because the policy is consistent with the geopolitical goals of British intelligence, operating for the financial oligarchy. It is also because it is enforced as U.S. policy through a "fifth column" of British agents of influence operating inside Washington's permanent bureaucracy in the State Department, the Pentagon, and leading stateside think-tanks. That's where George Bush and friends come in.

The Afghan Relief Committee

John Train, an operative for British intelligence empowered with top-level connections in the United States, was in on the Afghan policy from the ground floor, with his 1980 creation of the Afghan Relief Committee (ARC). The ARC was housed in Train's investment consulting office in New York City. Train was ARC's president, and, according to a 1980 *Washington Post* article, "its financial whiz." ARC's stated purpose was to raise "seed money" for medical organizations treating casualties among the mujahideen. After receiving the Relief Committee's seed money, the medical organizations were expected to go elsewhere for financing.

The main known financial beneficiaries of the group were:

- Doctors Without Borders, run by Ronny Brauman in Paris. This organization, whose most prominent representative was Danielle Mitterrand, wife of President François Mitterrand of France, also received money from the National Endowment for Democracy.

- Freedom Medical of Washington, D.C.
- Aide Medicale International.
- Sainte Sud of Marseilles.

Most money to such groups, although not these specifically, originated with the International Rescue Committee or Relief International. The first two listed received almost all of ARC's funds.

But the nature of other organizations associated with Train's ARC belies any notion that ARC was merely a rescue operation. ARC was interfaced with Leo Cherne's International Rescue Committee (IRC), whose Peshawar-based office was staffed mostly with Hekmatyar's gang; the National Endowment for Democracy (NED); and the State Department's Agency for International Development. Cherne was then vice-chairman of the President's Foreign Intelligence Advisory Board (PFIAB), with offices at the White House, where George Bush was gathering the reins of all intelligence activities into his own hands.

Founders of the ARC, in addition to Train, included four former U.S. ambassadors to Afghanistan: Francis L. Kellogg, a decades-long associate of Train from the prominent grain-interest family; Train's cousin Sen. Claiborne Pell (D-R.I.); and professors Louis Dupree and Thomas Gouttierre, both Afghan hands. Jeane Kirkpatrick, later the Reagan administration ambassador to the UN, was co-chairman of the group.

ARC's on-the-ground operations (like those of many other western organizations) were based in Peshawar, Pakistan.

Another 'humanitarian'

After the Soviets had been forced out of Afghanistan, rescue operations were passed to Sadruddin Agha Khan, a tennis partner of George Bush, and a close friend of both Train and Goldsmith from their early days in Paris.

At the point of the Soviet pullout, Agha Khan was named special coordinator for the UN Humanitarian and Economic Assistance Programs relating to Afghanistan, in what was code-named Operation Salam. It has long been suspected that under cover of such "relief" operations, the protracted civil war that ensued in Afghanistan was organized and supplied—on both sides.

Additionally, since Operation Salam was officially intended to organize the repatriation of Afghan refugees, it also oversaw the dispersal of Afghan war veterans and refugees throughout the world—that is, it was in a key position to oversee the early birth of the rootless "Afghansi."

Sadruddin Agha Khan, of course, has always been active in Pakistan, given that his grandfather was one of the founding fathers of the Muslim League that forced Pakistan's creation. Here, his Ismaili followers have been swarming into the area of Chitral in northern Pakistan, and the nearby regions of Gilgit and Hunza, adjacent to Indian Kashmir. The region of Chitral is renowned for the quality and abundance of its opium poppy, and was a smuggling depot for the Afghan mujahideen. But more recently, Agha Khan's followers have formed an alliance with the British-steered Kashmiri independence movement, which seeks to create a new Kashmir out of the territories of both India and Pakistan. Agitation is arising in Gilgit that the area should become an independent state.

Sadruddin Agha Khan is also directly associated, through his followers, with the opposition in Tajikistan that is based in the Pamir Mountains. The Konduz and Takhar refugee camps in northern Afghanistan, which are inhabited by clan refugees from the Garm, Pamir, and Badakhshan regions of Tajikistan, are the staging grounds for guerrilla activities within Tajikistan. A large portion of the Badakhshani and Pamir are Ismaili Shias loyal to Agha Khan. The refugee camps are largely administered by the UN High Commission to which Sadruddin Agha Khan has long-standing ties—as its deputy chief in 1962, its high commissioner in 1967-77, and as its chief coordinator for special missions, such as Operation Salam.

On Sept. 27, 1996, the day the Taliban took Kabul, the Tajik opposition's military forces, headed by Jumaidullo, invaded Tajikistan from Afghan territory near Kalai-Khumb, trying to join the Abdullo Nuri forces concentrated around Tavildara, which are supported by Agha Khan.

Enter the moneybags

It is not known precisely what has propelled Sir James Goldsmith's entry into the fractious scene of Pakistani politics. It is not known, for instance, if his entry into Pakistan,

following the exploits of his cohorts Train and Agha Khan in the region, is linked to the sustenance operations for the Taliban, which reportedly has ties to Britain.

Whatever it is that has brought Jimmy Goldsmith to Pakistan, it must be important, for on June 21, 1995, it was announced that his daughter, Jemina Goldsmith, had married the Pakistani cricket-playing legend Imran Khan. Jemina, a close personal friend of Princess Diana, whom she later hosted in Pakistan, had been swiftly married to Imran, after he unceremoniously unloaded another British heiress.

After retiring from cricket, Imran Khan had become the political protégé of Hamid Gul, former chief of the Pakistani Interservices Intelligence (ISI), who had organized rallies for Imran Khan and his Movement for Justice, on the platform of creating a new Islamic political force in Pakistan. Hamid Gul is believed by numbers of knowledgeable sources in the region, to be the "hands-on" coordinator of the wide-roaming "Afghansi."

One might not expect James Goldsmith to be involved with such operations. However, in 1990, Goldsmith acquired Kilo Alpha Services (KAS), one of the spin-offs of SAS run by former SAS Counter-Terrorism Warfare team leader Lt. Col. Ian Crooke. Crooke's brother Alastair was the British deputy consul in Peshawar, Pakistan.

On Oct. 17, the London *Daily Telegraph* correspondent from Lahore reported that Goldsmith had made a decision to personally bring down the government of Prime Minister Benazir Bhutto through "corruption scandals." The *Daily Telegraph* is owned by the Hollinger Corporation, on the advisory board of which Goldsmith sits.

According to the *Telegraph*, Goldsmith's son-in-law is "preparing to file corruption charges against Pakistan's Prime Minister Benazir Bhutto and her husband, Asif Ali Zardari." Khan is "consulting his lawyers, about filing charges in the Supreme Court, against Mrs. Bhutto's alleged corruption. Imran has accused the couple, of buying several properties in London and the Home Counties, charges the PM denies. . . . Last month, Imran returned from London, and made public what he alleges is a list of properties owned by Mrs. Bhutto and her husband, and their values. . . . His wife Jemina . . . has been in London throughout the summer, and her father, Sir James Goldsmith, is believed to have helped Imran put the list together." Meanwhile, Imran Khan is touring Pakistan to create a "third force," independent of the existing political formations in Pakistan.

The doings of such personages as Train, Agha Khan, and Goldsmith in Afghanistan and Pakistan are characteristic of the maneuvers in the "Great Game" for Central Asia. Operating outside of governments, using any auspices and means to arm and mobilize ethnic-group proxies for their "little wars," Train, Agha Khan, and Goldsmith exemplify the criminally powerful personalities now afoot in Central Asia, putting the world on the course toward World War III.

Major terrorist incidents since Clinton's inauguration

Jan. 25, 1993, U.S.A.: Two officials shot to death outside CIA headquarters in Langley, Virginia, allegedly by a Pakistani involved in Afghanistan.

Feb. 26, 1993, U.S.A.: Six killed in truck-bombing at World Trade Center in New York City; several former Afghan mujahideen are later convicted for the incident.

March 12, 1993, India: Two hundred killed in several simultaneous bombings in Bombay, reportedly by Hezbollah.

Feb. 25, 1994, Israeli occupied territories: Jewish Defense League official Baruch Goldstein kills 50 worshippers at the Tomb of the Patriarchs mosque in Hebron.

July 18, 1994, Argentina: Buenos Aires headquarters of the Argentine-Israeli Mutual Association is destroyed by a car-bomb, killing over 100.

Sept. 12, 1994, U.S.A.: Stolen Cessna plane crashes on White House lawn, killing pilot, Frank Corder.

Sept. 21, 1994, Algeria: First Armed Islamic Group (GIA) assassination of foreigners—two Frenchmen—in Algiers.

Oct. 29, 1994, U.S.A.: Francisco Duran sprays White House with semi-automatic assault weapon fire.

Dec. 12, 1994, U.S.A.: High-powered rifle fired at White House windows.

Jan. 30, 1995, Algeria: GIA car-bombing outside Algiers police station kills 42.

March 8, 1995, Pakistan: Two employees of U.S. consulate in Karachi are murdered.

March 20, 1995, Japan: Nerve gas released in a Tokyo subway kills 10 and injures more than 4,500, the first of a series of such attacks. Members of the Buddhist Aum sect, linked to the Dalai Lama of Tibet, are later convicted of the assault.

April 19, 1995, U.S.A.: Truck-bombing of U.S. Federal Building in Oklahoma City kills 168.

July 19, 1995, France: Abdelbaki Sahraoui, a founder of the Algerian Islamic Salvation Front, is assassinated by GIA in Paris.

July 25, 1995, France: GIA bombing at St. Michel Metro station in Paris.

Aug. 17, 1995, France: GIA bombing at Metro station Place de l'Etoile, Paris.

Aug. 26, 1995, France: Media Natura, a spin-off of Prince Philip's World Wildlife Fund, issues video death threat to President Jacques Chirac, which is disseminated worldwide via the Internet.

Aug. 26, 1995, France: Failed GIA bombing of Paris-Lyons high-speed train.

Sept. 3-4, 1995, France: Bomb attempt against Richard Lenoir Marketplace, in Paris, followed by bomb attempt at a market in 15th Arrondissement.

Nov. 2, 1995, Colombia: Alvaro Gómez Hurtado, a prominent Conservative Party leader in the fight against narco-terrorism, slain by four gunmen in Bogotá.

Nov. 4, 1995, Israel: Israeli Prime Minister Yitzhak Rabin assassinated in Tel Aviv.

Nov. 13, 1995, Saudi Arabia: Five U.S. soldiers, and two others, killed by a car-bomb at a U.S. military training center in Riyadh. Three of the four Saudi nationals later executed for the bombing were Afghan mujahideen.

Nov. 19, 1995, Pakistan: Car-bombing of Egyptian embassy in Islamabad completely destroys building.

Feb. 9, 1996, United Kingdom: London bombing attributed to the IRA.

Feb. 25, 1996, Israel: Suicide bombing on Jerusalem bus kills 25.

March 3, 1996, Israel: Suicide bombing, claimed by Hamas, kills 20 passengers on Jerusalem bus.

March 4, 1996, Israel: Suicide bombing in Tel Aviv shopping market kills 13.

June 25, 1996, Saudi Arabia: Truck-bomb at Dhahran U.S. military barracks kills 19 U.S. soldiers.

July 14, 1996, United Kingdom: Car-bombing at Enniskillen hotel attributed to IRA, triggers week of rioting in Northern Ireland.

July 17, 1996, U.S.A.: TWA 800 flight explodes over Long Island, New York, killing 230.

July 27, 1996, U.S.A.: Pipe-bomb at Olympics in Atlanta, Georgia kills two.

Sept. 20, 1996, Pakistan: Murtaza Bhutto, brother of Prime Minister Benazir Bhutto, shot dead in Karachi, after his bodyguards reportedly opened fire on the police.

Bush-Thatcher 'secret government' operations: 1979-96

Following is a compilation of the most significant events related to the international arms cartel and the Bush-Thatcher "secret government" apparatus in the 1979-96 period. It is by no means complete, and obviously cannot report many of the most important events which took place behind closed doors, and which may never find their way into the public eye. Nevertheless, it serves to situate, in time and context, those known events which are chronicled in this Special Report.

1979

Jan. 15: *Time* magazine cover story, "Crescent of Crisis—Troubles Beyond Iran" features National Security Adviser Zbigniew Brzezinski's claim: "An arc of crisis stretches along the shores of the Indian Ocean." The *Time* feature promotes using Islamic fundamentalist upsurges against the Soviet Union.

Jan. 16-Feb. 1: Shah of Iran leaves the country, Ayatollah Khomeini takes over.

June-July: Somoza flees Nicaragua, Sandinista government takes over.

November: U.S. Congress passes arms embargo against Iran.

Dec. 27: Soviets invade Afghanistan.

Dec. 29: U.S. State Department sends a cable to the American Embassy in Cairo, providing derogatory information on LaRouche and his movement who are circulating anti-Muslim Brotherhood propaganda, and says this information "may be passed to Muslim Brotherhood official."

1980

January: Zbigniew Brzezinski, in Pakistan, promises U.S. aid to build up Afghan mujahideen resistance against the Soviets. U.S. begins arranging pipeline for shipments of Soviet-made weapons to Afghan resistance via Pakistan.

January: Lord Bethell founds Radio Free Kabul.

January: John Train founds his Afghanistan Relief Committee.

March-April: The first clandestine Israeli shipment of

military equipment goes to Iran.

Sept. 8: Iranian gun-runner Cyrus Hashemi sues *EIR* and other publications for exposing his role as financier of Iranian-sponsored terrorism.

Sept. 10-20: Iranian envoy Sadegh Tabatabai meets with U.S. and German officials in West Germany on hostage crisis.

Sept. 22: Iraq attacks Iran, beginning eight-year-long Iran-Iraq War.

Oct. 2: George Bush predicts the Carter administration will produce an "October Surprise."

November: There is much discussion of a "Kissinger comeback," and that he will get post in new administration.

Nov. 4: Reagan-Bush ticket elected in U.S. general elections.

Nov. 16: Sweden's Prime Minister Olof Palme in U.S. for meetings at UN on the Iranian hostage crisis.

Dec. 10: Cyrus Hashemi and his lawyer/business partner Stanley Pottinger are overheard on FBI wiretaps discussing illegal shipments of military equipment to Iran, using British and Swiss shell companies.

1981

Early 1981: The "Committee for a Free Afghanistan" is founded by U.S. Army Maj. Karen McKay, working under the Joint Special Operations Command (JSOC) at Fort Bragg.

Jan. 20: Reagan and Bush inaugurated; American hostages in Iran are freed.

Jan. 21: Cyrus Hashemi is interviewed on NBC-TV as having been involved in hostage negotiations.

January-February: Israel ships arms to Iran.

January-February: Hashemi and J. Stanley Pottinger arrange shipments of military equipment to Iran.

Feb. 13: Reagan-Bush Justice Department terminates FBI wiretaps of Hashemi's offices.

Feb. 28: Hashemi and Pottinger arrange to ship fragmentation bombs, mortars, C-4 explosives, and other armaments to Iran.

March: CIA program of covert support for Contras begins.

March 22: *Washington Post* story headlined, "Bush to

Head Crisis Management.”

March 30: President Reagan wounded in unsuccessful assassination attempt in Washington.

May 13: Pope John Paul II wounded in unsuccessful assassination attempt in Rome by Mehmet Ali Agca.

May 20: An exposé of the role of the illegal Italian Freemasonic Lodge, Propaganda-2, reveals its involvement in criminal activities, including “right-wing” bombings and assassinations all across Europe. The exposé provokes many of Europe’s prominent politicians, military officers, and intelligence chiefs to resign.

July: Under the Reagan-Bush National Security Council structure, the Senior Interagency Group (SIG) reportedly approves third-party arms sales to Iran.

Nov. 17: Reagan signs NSDD-17, authorizing covert support for Contras.

November: CIA sets up joint U.S.-Saudi bank account in Switzerland for arming the Afghan resistance, as *quid pro quo* for U.S. sale of AWACS to Saudi Arabia.

Dec. 4: President Reagan signs Executive Order 12333, which 1) puts all “foreign intelligence” operations under the NSC; 2) allows agencies other than CIA to conduct “special activities” (covert operations), and 3) allows use of private contractors for intelligence operations.

Dec. 14: National Security Decision Directive Number 3 (NSDD-3) on “Crisis Management” is signed, which makes the vice president chairman of the Special Situation Group.

1982

Jan. 12: NSDD-2 formalizes NSC structure, with Senior Interagency Groups (SIGs) for foreign policy, defense policy, and intelligence.

Jan. 28: Bush is put in charge of South Florida Task Force on drugs.

March 8: The *New York Times* reports that Iran has received \$100-200 million in arms shipments from Europe in the preceding 18 months.

Spring 1982: Large orders from Iran for gunpowder and other explosives are made to the explosives cartel.

April 10: President Reagan signs NSDD-30, “Managing Terrorist Incidents,” gives Bush control over the convening of the SSG, and creates the “Terrorist Incident Working Group” (TIWG) to support the SSG.

May 14: “Crisis Pre-Planning” memorandum is issued by NSC, which establishes a standing Crisis Pre-Planning Group (CPPG) under the Special Situation Group. The SSG-CPPG, under Bush, is given control of any area in which a potential crisis could emerge.

August: Donald Gregg resigns from the CIA to become Vice-President Bush’s national security adviser. In July, Gregg had recommended that CIA officer Walter Raymond

be posted to the NSC.

Aug. 17: Nobel Industries marketing chief Mats Lundberg meet some “Iranians” in London; a second meeting takes place on Sept. 28.

Aug. 19: A “Dear Bill” letter from former U.S. Secretary of State Henry Kissinger to FBI Director William Webster asks to have the FBI look into LaRouche and his group.

Fall 1982: Olof Palme is elected prime minister of Sweden.

Nov. 10-15: Soviet leader Leonid Brezhnev dies; Yuri Andropov chosen as successor.

Dec. 8: U.S. House of Representatives passes first Boland Amendment, restricting military aid to Contras.

Throughout 1982-83: A faction within the National Security Council, led by Walter Raymond, Roy Godson, and Kenneth DeGraffenreid, and identified with the Public Diplomacy project, demands that Reagan administration officials sever contact with LaRouche and *EIR*.

1983

At some point in 1983: The AB Bofors company introduces Karl-Erik Schmitz to individuals in the explosives division of Gechem SA in Brussels; Gechem is Belgium’s largest powder-maker, known in the industry as PRB.

January: President Reagan signs NSDD-77, entitled “Management of Public Diplomacy Relative to National Security.”

Jan. 8: Sadegh Tabatabai is arrested at the Dusseldorf, Germany airport with raw opium in his suitcase; on the same day, American businessman George Perry, involved in arms deal with Tabatabai, disappears. Perry’s body is found three months later in a lake in near New York City.

Jan. 12: At a meeting of the President’s Foreign Intelligence Advisory Board, David Abshire and Leo Cherne ask whether the FBI has a basis to investigate LaRouche “under the guidelines or otherwise.” A question is raised whether LaRouche might be funded by “hostile intelligence agencies.” By February, a probe of LaRouche is on.

March 3: NSC staffer Walter Raymond recommends the President meet with a group of potential funders of “public diplomacy” efforts. On March 21, President Reagan meets with Jimmy Goldsmith, Carl Lindner, Rupert Murdoch, John Kluge, and George Gallup, among others. They are told that Dwayne Andreas of Archer Daniels Midland, and David Rockefeller are already “on board.”

March 23: LaRouche’s proposal for a new military doctrine is adopted by President Reagan when he announces the Strategic Defense Initiative (SDI) in a nationwide TV address.

Mid-April: First known John Train salon meeting is held to coordinate a national media vilification campaign against

LaRouche, and to promote federal investigations against him. About 25 journalists attend, including NBC-TV producer Pat Lynch.

April 18: U.S. Embassy in Beirut is bombed, killing at least 33 people.

May: U.S. Secretary of State George Shultz loses fight over Public Diplomacy; the NSC and Bush's SSG are placed between the President and secretary of state in the line of authority.

September: Nobel's Lundberg visits Iran to make plans for export.

October: Richard Secord and Albert Hakim create Stanford Technology Trading Group International as an international arms-trading company, with bank accounts and shell companies managed by Willard Zucker at Compagnie de Services Fiduciaires (CSF) in Geneva. These companies become known as "the Enterprise."

Oct. 23: Terrorist bombing kills 237 at U.S. Marines barracks in Beirut, Lebanon.

1984

Throughout the 1980s: Bofors exports explosives and armaments to Iran and Iraq, aided by the East German company Berliner Import-Export.

During 1984: President Reagan appoints John Train to the board of the African Development Foundation.

During 1984: Bofors hires Karl-Erik Schmitz.

January: U.S. Embassy in Bonn circulates the line that LaRouche and *EIR* are KGB-funded. Pat Lynch, with a camera crew, appears at *EIR*'s Wiesbaden office.

March 4: NBC-TV's "First Camera" airs a 20-minute slander on Lyndon LaRouche, with allegations of CIA connections. The broadcast targets Reagan administration officials who have been working with LaRouche on the SDI. Wire stories carry the NBC slanders across the nation. The next day, *Der Spiegel* runs a four-page slander describing LaRouche's organization as an extreme right-wing political sect.

Spring: Contra support operation and arms supply organized out of NSC; beginning of "Iran-Contra" arms transactions.

Late March-early April: Another Train salon meeting on LaRouche occurs after the "First Camera" broadcast. In addition to journalists, participants include Mira Boland, the ADL's Washington fact-finding director and National Security Council consultant Roy Godson.

May 16: Cyrus Hashemi and others indicted for illegal arms sales to Iran; Hashemi is tipped off and flees to London.

June-July: Ollie North contacts Secord to ask for help with arming the Contras and with other covert operations. Secord then recruits former CIA agent Tom Clines to the effort.



Bush, at the National Press Club, 1988. As Vice President, Bush ran the Special Situation Group, and a number of other White House secret units that directed the not-so-secret wars in Central America, Afghanistan, and Africa. Bush was in charge of the operations that flooded the United States with cocaine and heroin during the 1980s, in order to generate "private sector" funds for the "freedom fighters."

Sept. 6: Schmitz is introduced to the explosives cartel through Mats Lundberg.

Sept. 8 and 14: Lundberg visits Iran and Pakistan to arrange secret transport of explosives to both countries.

Oct. 12: Congress passes second Boland Amendment, prohibiting the CIA and Defense Department from providing military aid to the Contras.

Oct. 31: Indian Prime Minister Indira Gandhi is assassinated by one of her Sikh guards; 1,000 killed in anti-Sikh rioting.

Oct. 31: The *New Republic* runs a smear of LaRouche, "The LaRouche Connection" written by attendees of the Train salon, which targets LaRouche's contacts in the Reagan administration.

Nov. 1: U.S. Attorney William Weld goes on Boston TV to announce he has opened an investigation of LaRouche.

Nov. 18: A Swedish journalist, Cats Falck, dies in a mysterious car accident just two days before a planned radio broadcast about her investigations into Swedish weapons smuggling. After her death, her notes are stolen from her

home.

December: Secord and Clines make first arms shipment to Contras from China, worth \$72,400, through Defex in Portugal.

Throughout the mid-1980s: The Anglo-American "secret war" in Afghanistan is funded, and receives logistical and propaganda support through John Train's Afghan Relief Committee, which is coordinated with Britain's Margaret Thatcher and Lord Nicholas Bethell. During this period, half the heroin consumed in the U.S. is produced in the Golden Crescent, and there is a massive expansion of the drug market in eastern Europe, Russia, and Central Asia.

1985

January: Secord and Clines make second shipment of arms to Contras from Defex in Portugal.

January: Karl-Eric Schmitz receives an order for explosives from Iran via Pakistan.

January: A French explosives-smuggling ring into South Africa is busted, and a Swede, Tom Rosenberg, is arrested in Stockholm for his role as "consultant" to the ring. He had hired Danish ships for the cartel. The bust is said to have precipitated the murder of French Gen. René Audran.

Jan. 18: Bofors/Nobel Explosives seeks and gets the permission to export explosives worth \$41 million to Pakistan, to WAH-NOBEL, which in reality is to go to Iran.

Jan. 26: Gen. René Audran of France is killed by *Action Directe* terrorists. He was an engineer of armaments and head of the international section of the French Defense Ministry.

February: Emile Camp, an expert pilot for DEA-CIA informant Barry Seal, and witness to many of Seal's drug deals and intelligence contacts, is killed when his plane inexplicably runs out of fuel, and crashes into Ouachita Mountains near Mena, Arkansas.

February: London's Arbuthnot Latham Bank, owned by Erik Penser, is engaged to transfer money from Iran to Bofors in the "Pakistani" explosives deal.

March: Secord and Clines make third arms shipment to Contras from Defex in Portugal. Value of second and third shipments is \$1.2 million.

March 10: Swedish Prosecutor Stig Age starts an investigation into Bofors for arms smuggling to Bahrain and Dubai.

March 20: Police raid Bofors offices.

March-May: Secord and Clines arrange fourth shipment of arms worth \$6.4 million to Contras, using the Danish freighter, *Erria*, which they later purchase.

April: President Reagan signs NSDD-166 directing the CIA to drive the Soviets from Afghanistan "by all available means."

April: *Al Taqdir*, an Arabic newsletter published in London, writes "Iran soon will import RBH-70 [missiles] from Sweden."

April: Bahrain apparently orders 879 (or possibly 1,279) RBH-70 missiles from Bofors.

April 17: The Bofors offices are searched by police.

June: North and Secord meet with Contra leaders in Miami, tell them that private contributions will go directly into "Enterprise" accounts, rather than to the Contras, enabling the "Enterprise" to corner the Contra arms market.

June 5: It is revealed that the Swedish customs authorities believe that Bofors/Nobel is smuggling arms and explosives to Syria, Egypt and Iran.

June 10: Palme discusses the Indian howitzer deal with Indian Finance Minister V.P. Singh. Answering a question from Singh on the Bofors smuggling business, Palme says, "Bofors apparently has been fooled."

June 13: The Swedish customs stops 600-ton gunpowder shipment destined to Pakistan worth \$41 million.

June 13: The Swedish government prohibits Bofors to export the powder from the Bofors/Nobel company to Pakistan and Yugoslavia after they find that the powder was meant for Iran.

June 13: The Bofors application for permission to export 720 RBH-70 missiles to Pakistan is rejected by the Swedish government. All future export to Pakistan of explosives and RBH-70s is prohibited, and the export of guns to Indonesia is also stopped.

June 19: Bofors/Nobel has to cancel orders to Iran for explosives, worth more than \$158 million.

June 20: Directors at Bofors are worried due to the prohibition imposed the week before, and fear the company will collapse by the next winter.

June 21: The Swedish ambassador in India writes to Palme that the Indian government demands that no middlemen be involved in the Indian howitzer deal.

July: U.S. Vice President's Terrorism Task Force is created, headed by Bush.

July: Discussions among oilman John Shaheen, CIA head William Casey and CIA Near East operations head Tom Twetten about Hashemi's efforts to mediate negotiations over U.S. hostages in Lebanon.

July: A high-level "committee" meets to discuss how to prevent the financial collapse of Bofors, due to the cancelled deals.

July 11: Herbert Army, Austrian ambassador to Greece, dies, reportedly of a heart attack. He has just testified before a commission of inquiry in Vienna that he knew of guns being sold to Greece by the Austrian company Voest-Alpina, and being channelled to Iran.

July 24: As a part of the Schmitz explosives export for the cartel, a Boeing 707 from the CIA owned Santa Lucia Airways is sent to Iran from France with 22 tons of explosives.

August: Tiny Rowland finances a \$7.5 million arms shipment to Iran.

Aug. 14: Schmitz flies 11.4 tons of explosives to Iran aboard another Boeing 707 from Santa Lucia Airways, with

help from Belgian businessman André Braet, who works for Transammo in Belgium.

Aug. 20: Israel exports 96 TOW missiles to Iran as part of the U.S. arms-for-hostages deal, with "bridge" financing from Adnan Khashoggi. Iran had rejected first shipment.

September: Schmitz helps PRB to export explosives purchased from Royal Ordnance Factories in England, which in turn "bought" them from the German Dynamit Nobel. These shipments continue until September 1986.

Sept. 3: Bofors starts to produce howitzers for India, even though they don't have the order yet.

Sept. 8: *Dagens Nyheter* reports that between May and June, Stockholm customs officials seized 50 tons of gunpowder shipped by the Bofors-Karlskoga factory, reportedly destined for Iran.

Sept. 14-15: Israel exports 408 more TOW missiles to Iran, making a total of 504, after negotiations in Paris involving Manucher Ghorbanifar, Michael Ledeen, David Kimche, and others.

Sept. 18: Swedish elections. Palme wins the election, but with a small margin.

Sept. 29: Swedish customs officials raid the Malmö offices of Karl-Erik Schmitz, and seize thousands of pages of documents which detail a global arms and munitions cartel operating on both sides of the Iron Curtain.

October: Prime Ministers Olof Palme and Rajiv Gandhi meet in New York during the UN General Assembly. Gandhi assures Palme that Bofors will get a contract with the Indian government if no middlemen are used.

November: AE Services, run by former British Army Maj. Robert Wilson, is contracted by Bofors to get a deal signed by March 1986 with the Indian government.

November: Rumors claim that Olof Palme stopped a shipment of 18 howitzers to Iran (through Singapore).

November: Israel sells 18 Hawk missiles from U.S. to Iran.

Nov. 11: CIA memo says that U.S. government agencies "must not touch" Hashemi, who is under an extradition order, indicating he is being protected.

Nov. 12: Swedish daily *Expressen* carries an interview with Karl-Erik Schmitz, in which he tells how Iran had contacted Bofors via Yugoslavia to buy explosives. He says that he went to Yugoslavia with a representative of Nobel Kemi to sign the deal for 200 tons of gunpowder, to be shipped to Yugoslavia and then transshipped to Iran.

Nov. 14: Claes Ulrik Winberg, president of Bofors-Nobel Industries Group, is forced to resign as head of the Swedish Employers Association, following charges that the company is profiteering from the Iran-Iraq War.

Nov. 19: Ollie North asks Secord to help with shipments of Hawk missiles to Iran; Secord says he'll try shipping them through Portugal.

Nov. 24: 80 more Hawk missiles arrive in Teheran, flown from Israel by a CIA proprietary airline.

December: Palme tells Bofors that they will get permission to export the RBH-70s to Pakistan.

December: Secord and Hakim arrange fifth arms shipment to Contras.

1986

January: Soviet English-language edition of *New Times* publishes an attack on Olof Palme.

January: U.S. decides to sell weapons directly to Iran, eliminating Israel as middleman, and using Secord-Hakim instead. President Reagan signs covert-action finding on Jan. 17 authorizing the sales.

January: North and Secord negotiate sale of 4,000 TOW missiles to Iran.

Early January: Tiny Rowland, officials of Britain's Tory Party, and a representative of East Germany intelligence's arms merchant, Alexander Schalck-Golodkowski, the head of IMES company, meet in London to extend joint British-East German "commercial" operations across southern Africa.

Mid-January: Weld's Boston federal grand jury expires, returning no indictments against LaRouche or any of his associates.

Jan. 15-23: Palme visits Rajiv Gandhi and assures him that the Indian government's demand that there be no middlemen in the Bofors contract, will be met.

Jan. 17: President Reagan agrees to export weapons directly to Iran.

February: Vice President's Terrorism Task Force issues report, creating the Operations Sub-Group (OSG) and a permanent counter-terrorism office located in the NSC staff, headed by Oliver North.

February: Barry Seal, sent by Bush's Drug Task Force to DEA as informant, is murdered in Baton Rouge, Louisiana.

Feb. 7: Arms dealers and middlemen tell Cyrus Hashemi that Vice President Bush has approved their arms sales to Iran.

Feb. 7: Secord-Hakim "Enterprise" receives first payment for \$10 million sale of TOW missiles to Iran.

Feb. 11: The indicted Nobel Industries marketing chief, Mats Lundberg, in a sworn statement to Swedish judges, reveals that, aside from "official" safety concerns, the Explosives Club was where major manufacturers met to discuss deals, including cartel pricing, and divide up which firm would supply what proportion of a given shipment.

Feb. 12-14: Weld hosts a nationwide meeting for FBI, IRS, Secret Service, and other law enforcement officials to discuss crafting a case against LaRouche and his associates.

Feb. 17-27: "Enterprise" ships 1,000 TOW missiles to Iran.

Feb. 20: Bofors director Anders Carlberg meets with Palme. The government decides to give Bofors permission to export 720 RBH-70s to Pakistan.

Feb. 25: Olof Palme finally blocks the sale of Bofors weapons to Iran.

Feb. 25: Reportedly, a telegram is sent from P-2 lodge head Lucio Gelli, to U.S. Republican Party official Philip Guarino, which reads: "Tell our friend Bush that the 'Swedish tree' should be felled."

Feb. 25: Ollie North and CIA official Tom Twetten meet with Iranians in Frankfurt, Germany, and agree that if U.S. provides TOW missiles to Iran, Iran will pass some of them on to the Afghan mujahideen.

Feb. 28: Swedish Prime Minister Olof Palme is assassinated in Stockholm.

Feb. 28: Bofors sends the first RBH-70s to Pakistan.

February-May: The "Enterprise" receives \$860,000 for Contra arms shipments.

March: Retired CIA officer George Cave suggests to CIA Director Casey that profits from arms sales to Iran could be used "to fund support for the rebels in Afghanistan. We could do the same with Nicaragua."

March 1: Soviet Central Committee member Georgi Arbatov, a cofounder of the Palme Commission and head of Moscow's U.S.A.-Canada Institute, tells Swedish journalists, "I do not know who killed Palme, but I know all too well who hated him. . . ."

March 2: Soviet dailies *Pravda* and *Izvestia* write that "right-wing circles" and "Western circles" are responsible for Palme's murder.

March 3: East German Stasi officer Herbert Brehmer, and Stasi's disinformation unit, Department X, are assigned to plant false tracks in the hunt for Palme's murderer. Brehmer later says, "At my desk, I drew up the outlines of how the EAP theory [LaRouche's Swedish co-thinkers] would be conduited into the Swedish police investigation."

March 3: *Ekstra Bladet*, Denmark's largest tabloid, claims, "Sources in the police leadership reveal they are looking intensely at right-wing extremist groups, such as the Swedish neo-Nazis and the so-called European Labor Party [EAP]" The reporter says the article is based on a manuscript shown to him by Bonnier family's *Expressen*.

March 4: *Expressen*, Sweden's largest daily, writes that the EAP is "known for hate propaganda against Olof Palme," and is on a list of suspects under investigation by the Security Police (SÄPO). The newspaper also carries an article on this date authored by Georgi Arbatov titled, "Palme Hated by Many."

March 12: Viktor Gunnarsson is arrested as a suspect in the Palme murder, and is alleged to have ties to the EAP.

March 12: PRB exports 840,000 detonators to La Empresa Nacional Santa Barbara in Spain, and then on to Iran.

March 13: At a meeting between Bofors officials and Swedish export control office head Carl-Fredrik Algernon, Bofors is told "the political unit of the Swedish Foreign Ministry is about to change its policy towards the Gulf states."

March 16: The Swedish government is informed that

they will get the order from Iran for 410 howitzers.

March 18: Two LaRouche Democrats win Illinois state-wide primary elections.

March 18: NBC's Pat Lynch calls the CIA to report "that a member of Lyndon LaRouche's organization is being accused of involvement in the murder of Sweden's Prime Minister Palme."

March 18: *EIR* also calls the CIA to inform them that news reports in Sweden show that *EIR* and the CIA are targets of what *EIR* identifies as a "Soviet disinformation campaign." CIA's response is, "We cannot find anyone here interested in talking to *EIR*. We, of course, would vehemently deny that CIA had any connection with Palme's assassination."

March 18: By nightfall, an NBC Nightly News segment accuses LaRouche of complicity in Palme assassination. ADL national fact-finding director Irwin Sull tells interviewer, it is "not inconceivable" that someone connected to LaRouche could have killed Palme.

Mid-March: The Alexandria, Virginia U.S. Attorney's Office and FBI open their own investigation of LaRouche et al.

March 19: At a press conference at 3:30 p.m. in Stockholm, Swedish Police Chief Hans Holmér announces that the circumstantial basis to hold Gunnarsson has collapsed, and he is being released.

March 19: *Washington Post* story, "Suspect in Palme Case Had LaRouche Party Tie: Swedish Group Says Link Was Cut in '85," reports, "The 32-year-old man arrested in connection with the assassination of . . . Olof Palme was formerly an activist with a Swedish political group affiliated with right-wing U.S. presidential candidate Lyndon H. LaRouche Jr. . . ."

March 20: Fighting breaks out on the Pakistani-Indian border.

March 21: Moscow's TV news broadcast "Vremya," airs a segment on LaRouche, tagging him and his associates "pro-fascist," "terrorist," and "trained killers," who "have received special training under the supervision of cutthroats from the neo-Nazi private army of the Hoffman [German gun club]."

March 24: Bofors signs contract with India for delivery of 410 howitzers.

Late March to November: Approximately 20,000 "news" items appear in American newspapers or on TV, defaming and vilifying LaRouche and his political movement.

March 25: On the Phil Donahue TV show, ADL's Irwin Sull claims LaRouche has infiltrated the U.S. defense and military establishment for the purpose of obtaining military information to give to the Soviets. He repeats the claim that LaRouche is tied to the Palme murder.

Spring: North negotiates sale of 240 Hawk missile spare parts to Iran, and a deal for Israel to buy 508 U.S. TOW missiles to replace those shipped to Iran in August-September 1985.

April 2: TWA bombing in Athens.

April 4: Ollie North memo to John Poindexter, says that they have discussed with the Iranians what assistance the Iranians can provide to the Afghan resistance. North writes: "May be of real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan."

April 5: West Berlin discotheque frequented by American servicemen is bombed.

April 6: The Paris offices of *EIR* and the European Labor Party (POE) are bombed.

April 7: The POE receives a letter from the terrorist "Black War" organization, claiming responsibility for the bombing.

April 7-8: NBC News features FBI and ADL informant Forrest Lee Fick alleging that a LaRouche associate told him of a plot to assassinate Henry Kissinger.

April 8: Bombing attempt near the Bangkok hotel where U.S. Secretary of Defense Caspar Weinberger is staying.

April 22: Sting operation by Hashemi and U.S. Customs results in arrests of 17 U.S. and Israeli citizens for illegal arms sales.

April 28: Bush-North operatives Albert Hakim and Thomas Clines go to Denmark to set up front companies to manage Iranian arms deals, and weapons transfers to the Contras and the Afghani mujahideen. They also arrange to buy a ship, the *Erria*.

May: The ADL releases 10,000 copies of its Special Report: "The LaRouche Political Cult: Packaging Extremism."

May 5: Maj. Gen. Richard Secord sends a coded message to Lt. Col. Oliver North at the NSC in the White House which reads in part, "Our man here claims Lewis has info against LaRouche."

May 7: *Wall Street Journal* publishes "The Empire of Lyndon LaRouche," by Train salon operatives Pat Lynch and Dennis King.

May 14-16: Adnan Khashoggi deposits \$15 million in bridge financing into Enterprise Swiss accounts.

May 22: FBI London sends a teletype to FBI in Washington pertaining to LaRouche and the Palme investigation.

May 26-28: North, McFarlane, and CIA's Cave fly to Teheran with TOW missiles and spare parts, and meet with the Iranians. "We were prepared to enter a dialogue to determine where there might be common interests," McFarlane writes in a cable to Poindexter. "Afghanistan appeared to be a leading case in point."

June: A second "LaRouche" grand jury is empanelled in Boston. Within days, the prosecutor contacts NBC's Lynch to see if she will put him in touch with former LaRouche associates she had interviewed for her smear story in the *Wall Street Journal*.

June 13: FBI HQ forwards information about LaRouche and his organization to its London legal office.

June 18: Panamanian officials seize the *Pia Vesta* ship, and find Soviet tanks, AK-47s and anti-tank rockets on board. The cargo had been picked up at the East German port of

Rostock, and the goods had been sold by the East German trading company, IMES. The weapons were bound for the Nicaraguan Contras.

July: Craig M. Williamson is appointed managing director of the GMR Group, South Africa.

July: The Enterprise pays Defex \$2.6 million and the Syrian Monzer Al Kassar \$500,000 for Contra weapons shipped on the *Erria*; the arms are picked up in Poland and Portugal. When they are later unable to deliver the weapons, the CIA purchases them for \$2.1 million.

July: A former Danish EAP member is interrogated about the EAP. The police interrogator already knew this person had been in the United States at the time of the Palme assassination.

July 21: Cyrus Hashemi dies in London.

Summer: Irwin Suall travels to Stockholm, to look into LaRouche's operations there and to meet with Swedish investigators. He gives the FBI a report on his findings.

August: George Bush is appointed the chief of "Operation Alliance," an anti-drug effort conducted with Mexico.

October: North and Secord negotiate sale of 500 TOW missiles to Iran; Iran deposits \$3.6 million into Enterprise accounts.

Oct. 5: A Contra supply plane is shot down over Nicaragua. The pilot and co-pilot, Blaine Sawyer and William Cooper, who had been in Zaire the previous week delivering arms and supplies to UNITA, are killed; crewman Eugene Hasenfus survives, and is captured, and his debriefing by the Sandanista government is shown on American TV, launching the "Contragate" scandal.

Oct. 6-7: 400 armed federal and state police raid the offices of companies associated with LaRouche in Leesburg, Virginia, with simultaneous indictments from the Boston grand jury against eight LaRouche associates. Millions of documents and financial records are seized.

Oct. 20: At the arraignment hearing in Boston for the indicted LaRouche associates, the FBI case agent and prosecutor are approached by a man identifying himself as from the Swedish consulate general's office in New York. He reminds them that the Swedish government has a "continuing interest" in LaRouche and his organizations, especially the European branches. NBC TV's Pat Lynch is also in the courtroom.

Oct. 25: *Jane's Defense Weekly* reports that the British company, Hall and Watts, which was made up of former SAS commandos, got a contract to train an elite Mozambique squad. Hall and Watts was known for mediating an East bloc weapons deal between Monzer al-Kassar and Oliver North.

Oct. 31: A Swedish consular official is provided access to *EIR* journalists' notebooks which had been seized in the Oct. 6 raid.

Nov. 3: Boston FBI reports to FBI HQ that a Swedish consular official was given access to evidentiary materials in the LaRouche case. Boston FBI found approximately ten references to the murder of Palme, and the subsequent investi-

gation, in seized notebooks.

Nov. 4: Boston LaRouche prosecutor discusses the notebook references by phone with the Swedish consular official.

Nov. 7: FBI London sends a teletype to FBI HQ and Boston FBI, saying names of two U.S. citizens associated with LaRouche have "surfaced" as people who had "demonstrated against Olof Palme in Sweden in the past in concert with the European Labor Party. . . ." It asks FBI Boston to investigate this lead, but "to avoid past complications experienced in Washington, D.C., vis-à-vis using diplomatic or law enforcement channels, Boston should use . . . London as a conduit" to pass information to Swedish police rather than through Swedish diplomats in the U.S.

Nov. 12: Defendant in the Hashemi arms sting seeks to subpoena George Bush.

Nov. 17: *Newsweek* runs a story "Who Killed Olof Palme?" with references to LaRouche.

Nov. 19: FBI Boston sends an airtel to the Terrorism Section at FBI HQ, asking Alexandria, Virginia FBI to look for the names of the two former EAP members from Sweden when reviewing seized records.

Nov. 24: *EIR*'s Washington office receives a call from NBC's Pat Lynch. Lynch says she had heard there are "many mentions of the Olof Palme murder in the notebooks" seized during the Oct. 6 raids.

Nov. 25: "Iran-Contra" scandal created, when diversion of proceeds from Iran arms sales to fund Contras is revealed; the scandal diverts attention from ongoing investigations of drug-trafficking by Contra networks, and from U.S. arms shipments to Afghan mujahideen.

Nov. 25: U.S. begins shipments of shoulder-fired Stinger anti-aircraft missiles to Afghan mujahedeen.

Late November-early December: NBC's Lynch calls Boston LaRouche prosecutor to tell him "the Swedish authorities" are coming, and want to look at notebooks seized in "the search of Oct. 6" at LaRouche offices.

Dec. 3: Interpol Sweden asks through FBI London to review the documentary evidence seized during the Oct. 6 search of LaRouche offices.

Dec. 4: NBC Nightly News says seized notebooks contain details on the Palme murder, and Swedish authorities are in Boston to review the evidence.

Dec. 4: A UPI wire goes out: "Swedish authorities are investigating whether extremist Lyndon LaRouche's political organization had a role in the assassination of Swedish Prime Minister Olof Palme. . . ."

Dec. 5: *New York Times* article, "LaRouche Documents Linked to Palme Case," which repeats the NBC line, but adds, "One official said it would take a 'quantum leap' to assume that the evidence provided a strong link. . . ."

Dec. 5: An AP wire picks up the theme, but adds that the ADL's Irwin Suall went to Sweden to look into LaRouche's operations there, and was questioned by a Swedish official after he returned to the U.S.

Dec. 5: A UPI wire datelined Stockholm, "Police Discredit LaRouche Link to Palme assassination," quotes one police official, "Every time NBC or some other agency from the States calls us about this, we look at each other at police headquarters and say, 'Oh no, not again.' "

Dec. 12: Steve Carr, a Contra mercenary based at the John Hull ranch in Costa Rica, who knew too much about drug shipments, and had talked about it to the *Miami Herald* in July 1985, is found dead in Van Nuys, California.

Dec. 19: Judge Lawrence Walsh is appointed as Iran-Contra independent counsel.

1987

January: Carl-Fredrik Algernon, head of Sweden's export control office, has fatal "fall" underneath a subway train, just before he is to testify before a government commission investigating illegal arms sales.

Jan. 27-28: Soviet television airs a docu-drama called, "Who Killed Olof Palme?" and blames LaRouche for the assassination.

February: Robert McFarlane, Reagan's national security adviser from 1983 to the end of 1985, attempts to kill himself.

Feb. 15: Swedish daily *Aftonbladet* reports on Russian docu-drama on Palme murder: "The film is part documentary and part speculation," and points to four groups as possibly responsible: 1) the EAP, 2) Chilean military junta, 3) neo-fascist rightist extremists, and 4) the "American intelligence service, CIA."

Feb. 17: The state of Virginia arrests 17 LaRouche associates in Leesburg, Virginia, on "securities" violations.

Feb. 17: *Aftonbladet* reports the Soviet docu-drama accuses the CIA of the murder; *Svenska Dagbladet* adds that the film claims that "the murder weapon was an American gun."

March: LaRouche's name surfaces at the Cini Foundation gathering in Venice, Italy, in the context of discussing Palme.

March: Former Iranian President Abolhassan Bani-Sadr claims in an interview that Palme was killed because he had information that Iran bought weapons and paid with narcotics.

March 17: A second round of arrests of LaRouche associates also on "securities" charges, this time issued by the State of New York.

March 20: FBI London sends a teletype to FBI HQ requesting cooperation for three National Swedish Police Board officials, who will come to the U.S. to interview 15 persons concerning the Palme assassination.

March 21: General Giorgieri of Italy is assassinated by terrorists, in Rome. Later, Italian daily *La Stampa* links the murders of Palme, France's General Audran, and Giorgieri, to illegal arms deals with Iran.

March 23: A meeting of prosecutors in Virginia plans to file an involuntary bankruptcy action against LaRouche-

associated firms.

April 7: A final planning meeting to execute the involuntary bankruptcy is held, which includes prosecutors, and FBI and IRS agents.

April 11: Per Gahrton, a former member of the Swedish Parliament writes a guest article in the Malmö-based *Sydsvenska Dagbladet*, pointing to the Israelis as being possibly behind the murder of Palme. He refers to the Bofors affair, and Palme's mediator role in the Iran-Iraq War, saying that Israel may have wanted to get rid of Palme because he was an obstacle in the weapons sales to Iran, or because he was a good friend of PLO Chairman Yasser Arafat.

April 14: FBI HQ sends a memo to eight FBI field offices and one unidentified location to notify them that three Swedish police officials will arrive on April 20 to conduct interviews. It says "this much-publicized and high-priority investigation [which] will impact on the perceived prestige, competency and ability of the FBI," is to be handled by "mature and competent" agents, and notes there maybe some ties to the Washington, D.C. assassination of former Chilean minister Orlando Letelier.

April 19: Swedish radio charges that \$50 million in kickbacks were involved in the Indian government's contract with Bofors. Allegedly, bribes went to a secret Swiss bank account of top Indian government officials and Congress Party members.

April 20: U.S. Attorney Henry Hudson in Alexandria, Virginia, files the involuntary bankruptcy petitions in court, *ex parte*, requesting authority to seize offices of three LaRouche-affiliated firms.

April 20: Swedish police officials arrive in the U.S.

April 20: An *Aftonbladet* story, "New Tracks in the Police Investigation—Main Track Is the EAP" reports the hottest investigatory trail is the so-called "police track": A group of policemen, under suspicion in the Palme murder, are tied to an international conspiracy, allegedly linked to the EAP, which *Aftonbladet* claims "has gone underground," while the "woman leader of the Stockholm group" has emigrated to the U.S.

April 21: In a dawn raid, offices of three LaRouche associated companies are seized and padlocked by U.S. Marshals in the involuntary bankruptcy.

April 21: Radio Moscow repeats *Aftonbladet*'s slander against the EAP, saying, "Swedish police still suspect the extremist right-wing European Labor Party in the Palme investigation. After the crime, the party went underground. It is believed that some members left for the United States. The case might have involved foreign agents from the CIA, South African, and Israeli secret services."

April 22: Swedish police officials go to Boston to confer with the LaRouche case prosecutor and FBI agent. The prosecutor in the Boston LaRouche case decides to subpoena for two former EAP members living in the United States for his trial. He makes 4,000 pages of documentary evidence avail-

able to the Swedish officials.

April 23: An FBI agent goes with a Swedish official to Charlotte, North Carolina and Columbia, South Carolina to interview the two former EAP members, and to serve subpoenas.

April 23: A *Svenska Dagbladet* story, "EAP Woman Sought by Palme Investigators" reports that Ingvar Eriksson of the National Police says that, even though they will interview her, it is not a "hot trail."

April 24: *Expressen* runs a picture of the house in North Carolina where the former EAP members live, alleging that the woman is hiding from police, and is married to American. In Ibero-America, two dailies, *El Universal* and *El Financiero* reprint an AP wire on the EAP's alleged connection to Palme's assassination.

April 25: The Soviet daily *Izvestia* carries a TASS wire story, datelined Stockholm, reporting that investigations of the EAP alleged involvement in the Palme murder are continuing. It also reports the FBI's April 21 "raid on operations of the organization which form part of 'LaRouche's Empire.'"

April 27: A meeting is held between Swedish officials and the LaRouche prosecutor and FBI agent in Boston, at which arrangements are made for one of the Swedes to go to New York to meet a confidential source about the LaRouche organization.

April 28: An FBI agent and Swedish official interview a confidential source, described as a former member of the LaRouche organization, who says he has "no direct knowledge concerning the assassination of Swedish Prime Minister Palme." Yet, it is his opinion that "if Lyndon LaRouche wanted . . . Palme assassinated, he would have the organization in Wiesbaden [Germany] do it . . ."

April 29: Oliver North's fundraiser, Carl "Spitz" Channell, makes the first guilty plea in the Iran-Contra case.

May 1: A Charlotte, N.C., FBI agent and Swedish police official interview the two former EAP members; the questions track information provided by the confidential source on April 28.

May 1: Sten Andersson, Swedish Minister of State, claims that "the dirty laundry of Bofors . . . will be washed in public."

May 2: The Norwegian daily *Morgenbladet*, reports a hypothesis that the Soviets may have been involved in the Palme murder, and refers to the *EIR* Special Report, "A Classic KGB Disinformation Campaign," but says that the report itself is a sophisticated "KGB disinformation operation." *Morgenbladet* also reports that Palme was perhaps too exposed in his collaboration with the Soviets, and thus useless to Moscow, and mentions Palme's relations to Emma Rothschild.

May 4: A U.S. State Department-sponsored conference in Warrenton, Virginia, attended by officials from the U.S. Information Agency, CIA and Pentagon, along with U.S. and foreign journalists, discusses disinformation campaigns, who runs them and how to counter them. One example given, was

to blame the U.S. for the assassination of Olof Palme—citing a videotape that asks: “Who killed Olof Palme? All roads lead to the CIA.”

May 8: *Izvestia* cites an *Aftonbladet* report that PLO Chairman Yasser Arafat told two Swedish social democrats, with whom he had met in Algiers, that he knew who killed Olof Palme. No further details of Arafat’s assertions were conveyed, except that he allegedly said the key was to be found in Latin America. *Aftonbladet*, seconded by *Izvestia*, draws this out to hypothesize Chilean junta involvement.

May 12: Olof Palme’s widow, Lisbet, gives a new description of the man who killed her husband. The police do not want to publish the description, but say they have given up the previously constructed pictures. The new description is of a man between 35 and 40 years old.

May 26: Swedish prosecutor Stig Age begins the prosecution of Mats Lundberg.

May 31: The governor of the German state of Schleswig-Holstein, Uwe Barschel, is nearly killed in a suspicious plane crash.

June 4: Two Swedish police officials, while questioning a former Danish EAP member, state they have been to the U.S. and questioned former members of the LaRouche organization.

June-July: A political corruption scandal is launched against Uwe Barschel by members of the German Social Democracy, who are later found to be East German secret police moles, when the Stasi archives are opened in 1992-93.

June 30: Lyndon LaRouche indicted by Boston federal grand jury.

July 7-10, 13-14: Ollie North testifies before Congressional Iran-Contra hearings.

Aug. 6: *Aftonbladet* reports that three Swedish police officers from the Palme investigation were in the U.S. in April and, among other things, they looked at the EAP. The conclusion: The EAP track could be dismissed.

Aug. 26: Heribert Apfalter, general director of the Austrian state-owned armaments company Voest-Alpina, dies, reportedly of a heart attack. He was scheduled to testify before the Austrian government commission of inquiry into Voest-Alpina artillery shipments to Iran.

Sept. 1: Martin Ardbo writes in his diary that if Palme’s role in the India-Bofors deal becomes public, the government will fall.

Sept. 2: Italian authorities seize a Lebanese-chartered ship, *Boustany I*, carrying millions of dollars worth of Soviet- and American-made weapons, plus large quantities of hashish and heroin.

Sept. 4: Leading Italian industrialist Count Ferdinando Borletti and 30 others, are arrested on charges of manufacturing and illegally delivering hundreds of thousands of underwater mines to Iran.

Sept. 26: Uwe Barschel resigns as governor of Schleswig-

Holstein, after an “election irregularities” scandal.

Oct. 10: Barschel tells friends that when he appears before a parliamentary investigative commission in two days he will “detonate a bomb,” meaning he planned to tell what he knew about the illegal Iran arms deals.

Oct. 11: Barschel is found dead at the Beau Rivage Hotel in Geneva, Switzerland. Autopsy reports found that he died in the evening hours of Oct. 10. The death is quickly ruled a “suicide.”

Oct. 11: Later-discovered files of the Stasi foreign intelligence section make references to one Ottokar Herrmann under the codename of “Rohloff”; and the last thing that is known about Uwe Barschel’s mysterious Geneva trip 1987, is that he wanted to meet a certain “Rohloff,” to find out about “unravelling evidence” concerning the “bombshell” he expected to create during the parliamentary hearings he was due to testify before on Oct. 13 in Kiel. Herrmann heads the firm INTRAC, which works in the dirty arms demimonde between East and West. He is also an ex-partner of IMES head Schalck-Golodkowski.

Oct. 12: Rashid al Jarrah of Saudi Arabia dies in Lugano, Switzerland, hours before he was to be handed over by the Swiss to the Italian authorities. His death was attributed to heart attack, although he was only 25 years old. Al Jarrah was part of an arms-trading ring that operated in Italy, Lebanon, and Yugoslavia.

Oct. 30: Moscow’s *Sovetskaya Rossiya* runs an article titled, “Fraudulent Tricks: Who Needed Fabrications About ‘Soviet Disinformation?’ ” by Mikhail Ozerov. He claims America is waging a disinformation campaign directed at Moscow. It lists four examples of unfounded charges, one of which deals with the Palme allegations.

November: Karl-Erik Schmitz issues an angry press statement on allegations about his role in weapons trafficking to Iran in which he says, “Everyone has kept this secret until the Swedish Customs went around like an elephant in a porcelain shop and destroyed it. Everywhere you go, it is the Swedish material that is the basis for investigation.”

Nov. 9: Hans-Joachim Knack, the undersecretary of the Interior Ministry of Schleswig-Holstein, dies, reportedly of a heart attack. He was to testify before a state parliamentary committee on the Barschel affair.

Dec. 16: The first trial of LaRouche and his associates begins in Boston.

Dec. 23: Shabtai Kalmanowitch is arrested by Israeli police on charges he is spying for the Soviet KGB.

1988

During 1988: “Operation Lock” is founded by Prince Bernhard and Prince Philip, as a hit squad within the World Wildlife Fund.

March 10: Judge in the LaRouche trial in Boston case orders search of Vice President George Bush's files for any evidence that the "secret government" apparatus had spied on LaRouche. The judge's order is reported prominently in the *Boston Globe* and the *Washington Post*.

March 16: North, former National Security Adviser Adm. John Poindexter, Secord, and Hakim are indicted for conspiracy, on the initiative of the Iran-Contra independent counsel.

May 4: The Boston LaRouche case is declared a mistrial. Afterwards, the *Boston Herald* interviews jurors, who say that, from the evidence they have seen up to this point, they think the government was up to something fishy, and that they would have acquitted all defendants on all counts.

The trial of the government's involuntary bankruptcy petitions opens, lasting four days.

August: Sheikh Salim bin Laden is killed in a plane crash in Texas. He was a board member of BCCI—the principal financing conduit for the Afghanistan War and arms shipments to the mujahideen. He was a cousin of Osama bin Laden, a principal financier of Afghansi terrorists to the present day.

Oct. 14: LaRouche and six associates are indicted by an Alexandria, Virginia federal grand jury.

Nov. 8: George Bush is elected President of United States.

Nov. 21: The Alexandria federal trial of LaRouche and his associates begins.

Nov. 29: Amiram Nir, counterterrorism adviser to Israeli Prime Minister Shimon Peres, and the only non-American member of Bush's Task Force on Combatting Terrorism, is killed in a suspicious plane crash in Mexico.

Dec. 16: LaRouche and six associates are convicted in the Alexandria case.

Dec. 21: Pan Am 103 blown up by bomb over Lockerbie, Scotland.

1989

Early 1989: Gen. Gustavo Alvarez, chief of staff of the Honduras Armed Forces, deeply involved in Contra-related drug-trafficking operations, and aware of Felix Rodriguez's role in them, is killed. A few weeks after the general's death, his lawyer is also machine-gunned.

Jan. 7: U.S. government files *nolle prosequi* in Evans/Bar-Am arms case, to dismiss the indictment, thereby preventing a trial in which Bush could have been subpoenaed.

Jan. 26: U.S. government moves to dismiss Boston indictment against LaRouche et al., in order to prevent a new trial in which Bush and the secret government would again become an issue.

Jan. 27: LaRouche and his six associates are sentenced and sent to prison.

Feb. 8: Alois Weichselbaumer, an Austrian arms dealer, dies, allegedly of a heart attack.

Feb. 10: President George Bush convenes meeting of the National Security Council, having already decided that the United States will continue sending arms and ammunition to the Afghan mujahideen.

Feb. 15: Soviets withdraw from Afghanistan; Afghan mujahideen factions begin fighting each other; Afghans from other countries return to their homes, creating a worldwide terrorist network.

Feb. 28: Col. Gerald Clarke, head of G-2 Army Intelligence for the U.S. Southern Command in the Panama Canal Zone, with oversight for the entire Caribbean and Central American region, dies.

March 2: Court dismisses Boston indictments against LaRouche and others, over objections of LaRouche and other defendants, who demand a retrial.

April 26: Karl-Erik Schmitz is asked by an *EIR* reporter about the existence of a vast secret, illegal, and "above governments" international explosives and arms cartel. Schmitz replies, "This is a well-established and international arms-trading system that has been in place and operating for decades."

May 4: Oliver North is convicted in a jury trial.

August: *Expressen* runs a story pointing to a Soviet KGB role in the Palme assassination.

Aug. 30: A Radio Moscow broadcast derides the Swedish mass media for a campaign claiming the Soviets knew in advance of plans to murder Olof Palme. It reports that the European Labor Party was the first to put this out.

Aug. 31: A *New York City Tribune* story, "Did West Hide Soviet Role in Palme Slay Plot to Aid Détente?—Swedish Media Key on Bugging," reports: "Three members of Sweden's secret police, SÄPO, revealed this week that after bugging a Soviet envoy they discovered that the Kremlin had prior knowledge of Palme's death and appeared to have been involved in the planning of it." The SÄPO members leaked the story, admitting to having bugged the Soviet diplomat between 1985 and 1987. The article also claims that the tapes were translated within 24 hours of the Palme murder, which means that the leaders of the United States, Britain, France, and West Germany must have known about it within days of the murder.

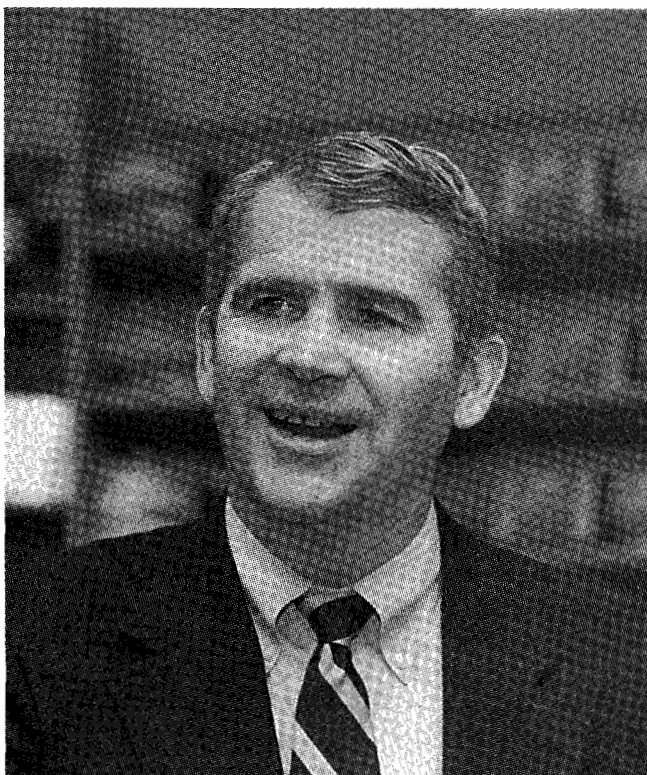
Oct. 31: Italy's *Corriere della Sera* prints story headlined "Bofors Scandal Could Be Fatal for Indian Prime Minister."

Nov. 8: Richard Secord pleads guilty to making false statements to U.S. Congress.

Nov. 9: Berlin Wall falls.

Nov. 21: Albert Hakim pleads guilty to financial offenses related to the arms-dealing "Enterprise."

Nov. 30: Deutsche Bank Chairman Alfred Herrhausen is assassinated. Before his murder, he had prepared a speech for a Dec. 4 event, to present an economic program echoing



Oliver North was George Bush's "gofer" in the most corrupt facets of the 1980s "secret wars" of the 1980s, including the flooding of the United States with cocaine to finance the Contras.

LaRouche's development proposals for eastern Europe.

December: A letter written by the former Dresden Stasi head, Horst Boehm, reveals that Schalck-Golodkowski preferred weapons deals in South Africa. Schalck-Golodkowski "defects" to the West, and enjoys the protection of the Bush-Thatcher networks.

Dec. 20: President George Bush invades Panama with 30,000 U.S. troops, killing an estimated 4,000 people, maiming thousands of others, and arresting Gen. Manuel Noriega.

1990

February: Former Dresden Stasi head Horst Boehm is driven to suicide, just after he has begun to reveal pieces of the Schalck-Golodkowski weapons-trafficking network.

February: The director of the Rotterdam office of IMOG, the shipping subsidiary of Alexander Schalck-Golodkowski's firm Deutrans, Mr. Lakowski, dies suddenly of a heart attack.

February: A Deutrans representative, Uwe Harms, dies under mysterious circumstances while in the Hamburg office of Deutrans's partner firm, Richard Ihle.

Feb. 21: Schalck-Golodkowski is flown to CIA headquar-

ters in Langley, Virginia to be debriefed.

Feb. 22: Former head of East German Stasi, Markus Wolf, flees to Moscow.

Feb. 22: Tom Clines is indicted in the United States on tax charges related to the Iran-Contra investigation.

March 22: Canadian scientist and arms dealer Gerald Bull is assassinated. Bull had been deeply involved in arms deals in Belgium.

April 7: John Poindexter is convicted in a jury trial.

July 20: Oliver North's conviction is vacated by Court of Appeals.

Sept. 18: Tom Clines is convicted after a trial.

1991

Jan. 15: Bush-ordered bombing of Iraq begins.

February: U.S.-led ground invasion of Iraq begins.

Feb. 7: India's prime minister, Rajiv Gandhi, issues an open letter decrying the bombing of Iraq.

Feb. 15: Rajiv Gandhi meets with *EIR*'s India bureau correspondents, and voices his concern over the war against Iraq, and the political frame-up and incarceration of Lyndon LaRouche.

Feb. 18: Rajiv Gandhi says India must stop permitting U.S. Air Force planes to refuel in India, in protest of the U.S. military operations against Iraq.

Feb. 22: Rajiv Gandhi embarks on a diplomatic mission to Moscow, meeting with then-President Mikhail Gorbachov, and Iranian President Hashemi Rafsanjani, in an effort to end the war against Iraq.

April: Detlev Karsten Rohwedder, head of the German agency in charge of economic integration of eastern Germany, is assassinated. The government of Chancellor Helmut Kohl abandons the LaRouche-Herrhausen economic development perspective toward the east.

May 7: A *Village Voice* news short, "Palme Trick?" asks: "Were followers of jailed right-wing extremist cult leader Lyndon LaRouche behind the killing of Olof Palme? That possibility is suggested by a story in *Dagens Nyheter*, according to Friday's *Guardian* (U.K.). Olle Alsen, an editorialist for the Swedish daily, says an ex-French Foreign Legionnaire was offered \$1 million for the hit by extremists affiliated with the [EAP], as LaRouche's troops call themselves in Sweden."

May 21: Former Indian Prime Minister Rajiv Gandhi is assassinated while campaigning.

July 18: André Cools, former deputy prime minister of Belgium, is assassinated.

Late August: Prosecuting judge Jean Marc Connerrote, of Liège, who had built a case against two senior Liège politicians and several international organized-crime-linked accomplices in the Cools murder, is removed from the case by Belgium's justice minister.

Sept. 16: Case against Oliver North is dismissed because

of complications created by Congress granting him immunity when he testified in 1987.

Nov. 15: John Poindexter's conviction is vacated by appeals court.

1992

Feb. 20: A *New York Times* story, "Six Years Later, Olof Palme Street Keeps Its Secret," draws an analogy between the investigation of Palme's murder and the coverup of Kennedy's assassination as portrayed in the film "JFK."

May 25: Tom Clines begins serving a 16-month prison sentence in the United States.

June 16: Former U.S. Defense Secretary Caspar Weinberger is indicted.

Aug. 20: *Journalisten* magazine, published by the Swedish Journalists Association, carries the explosive revelations of a former Stasi agent. Titled, "He Laid Wrong Tracks Concerning the Palme Murder," it reports that former East German Stasi agent Herbert Brehmer revealed he was assigned to plant "false tracks in the hunt for the murderer." Brehmer "was a specialist in the art of deceiving credulous Western journalists. . . . His profession: disinformation officer at the Stasi Department X in East Berlin."

Nov. 6: Bill Clinton defeats George Bush in U.S. Presidential election.

Nov. 6: Associated Press issues a wire datelined Stockholm, with the headline, "Palme 'Was CIA Target,'" reporting that the Swedish national TV program "Norra Magasinet" interviewed Ivan von Brichtan, who claimed that CIA agent Charles Morgan offered him \$2 million in 1986 to kill Palme. The TV program reported that the "CIA wanted Palme dead because he was a potential candidate for United Nations secretary general, an appointment contrary to U.S. interests." The article provides this background: "The Yugoslavian-born von Brichtan, a Swedish resident since 1976, met Morgan in the 1970s in Africa. Von Brichtan was a mercenary in Rhodesia and Libya. . . . Von Brichtan said he turned down Morgan's offer and contacted the police, who didn't act on his warnings."

Dec. 11: The White House informs the independent counsel that George Bush has diaries relevant to the Iran-Contra investigation, which were never turned over as required.

Dec. 24: President Bush pardons Robert McFarlane, Caspar Weinberger, CIA officials Duane Clairidge, Alan Fiers, and Claire George, and State Department official Elliott Abrams.

1993

Feb. 26: The London *Guardian* revives the slander that the LaRouche-linked EAP was involved in the Palme assassination. It makes bizarre allegations of an EAP link to "contract

killers" and/or networks within the Swedish police itself. It also says that Olle Alsen, a retired writer for *Dagens Nyheter* who has done his own investigation of the Palme murder, believes a link with "Gladio"—the secret NATO network to defend Europe in the event of a Soviet invasion—must be pursued. Alsen's scenario has the murder done by a former Foreign Legionnaire with links to the "neo-Nazi" EAP. Another scenario puts a group of Swedish police officers with EAP links at the center of the plan.

April 28: *L'Italia* publishes article, "Who Killed Olof Palme?" It says the deed had to be done with international cooperation at "such high and 'classified' levels as to be unattainable by the police of a small nation like Sweden." In making its case, the article points to Emma Rothschild, who "evaded the investigation," to a telegram which Licio Gelli allegedly sent two or three days before the crime to U.S. Republican Party figure Philip Guarino, to the American "secret" government identified in the Iran-Contra investigation, and to NATO circles (or rather, networks analogous to the Italian "Gladio").

August: Israel and the PLO announce peace accord in Oslo.

Sept. 3: It is reported that former Swedish criminal inspector Börje Wingren will soon release a book on the Palme murder in which he reportedly revives the Viktor Gunnarsson angle. Wingren was the policeman who interrogated Gunnarsson in 1986.

Sept. 4: Viktor Gunnarsson, in an interview, says he was investigated by police one week before the Palme murder. He maintains his innocence, and claims he was the scapegoat for a murderer known to the police leadership. He charges that Börje Wingren was manipulative and falsified protocols of the interrogation, and that he had shown pictures of Gunnarsson to the witnesses before they were asked to identify the supposed killer in the lineup. Gunnarsson says he could no longer stay in Sweden, since "the authorities have destroyed my life," and so he now lives in the United States.

Sept. 11: Henry Kissinger tells CBS News that anyone who thinks the new Israel-Palestine Liberation Organization accords will lead to peace, is a victim of euphoria. Two weeks later, speaking to Lord Rothschild's Institute of Jewish Affairs in London, he predicts that Jordan will disintegrate through an Islamic fundamentalist takeover, ending any hope for the peace accords.

Oct. 11: Americans for a Safe Israel, a neo-conservative group with high-level ties to the Republican Party, holds a meeting in Arlington, Virginia, to pull together opposition to the Israeli-PLO peace accords.

November: Israel's Ariel Sharon tours the United States to catalyze opposition to the peace accords. He encourages Jewish settlers in the territories to resist the Israeli government's efforts.

Dec. 3: Viktor Gunnarsson is reported missing in North Carolina.

Jan. 7: Viktor Gunnarsson's body is found, with two bullet holes in the head, in a North Carolina woods.

Jan. 26: Lyndon LaRouche is released from federal prison, on parole.

February: Baruch Goldstein, a Jewish settler, enters a mosque in Hebron on the West Bank and kills 50 Muslim worshippers, to protest the peace accords.

Feb. 3: Sweden's *Göteborg Post* lists seven "tracks" in the Palme murder investigation which now have been "thrown out" by Ölvebro's team. Among the seven "tracks" which will not be further investigated, are the EAP, PKK, Iran, and the Bofors affair.

Feb. 19: *Expressen* prints story headlined "The Witness Points Out His Group," subtitled "The Police Hunting Palme Hater(s) for the Murder." It reports that the murderer is now being sought among a group around the medical doctor Alf Enerström, who conducted a violent hate campaign against Palme. Enerström is quoted, "It is a lie that I would have used the money for some dirty deals. I understand that [some] want to insinuate the money could have been used . . . to finance a murder plot. I can say that I gave 1 million crowns to the EAP. Its orientation against Palme was the same as ours. But I don't know how the EAP used the money."

Feb. 25: *Corriere della Sera* story, "Weapons and Bribes: The Palme Mystery," subtitled "India-Sweden: Mega-Scandal Over Weapons," reports: "An international scandal, which the Swedish authorities have tried to avoid for years, is on the verge of exploding, triggered by a decision of the Swiss government." The Swiss government is to give Indian police hundreds of banking documents on the sale of Bofors howitzers to India.

March 10: *Expressen* writes that Ulf Aasgaard, a psychiatrist and police physician, believes that Lisbet Palme might have made a mistake concerning Christer Pettersson (who was identified by Lisbet Palme as the murderer, but later freed by the Court of Appeals). Aasgaard was with Ölvebro in the United States, meeting with the FBI to check his own work on profiling the killer.

March 28: *Corriere della Sera* runs a story on the Palme assassination reporting that 95% of the leads can now be discarded. Some on that list are, "Ayatollah Khomeini and Saddam Hussein . . . Pinochet, the South African government, the Croatian Ustashi, the German terrorists, the KGB and NATO, or even SÄPO, the Swedish secret service, or the Black Rose, a mysterious right-wing organization." Mentioned later is the Gunnarsson-LaRouche-EAP angle. It concludes by raising the Swedish "Irangate," Bofors, and the Stasi, as still a possible investigative track.

April 2: U.S. Anti-Defamation League National Chairman Abraham Foxman, in a statement to the *Jerusalem Post*, condemns Prime Minister Yitzhak Rabin for interfering with

ADL's efforts to force the Clinton administration to say that East Jerusalem must be a part of Israel.

April 27: A Swedish national TV program on the Palme assassination interviews Stig Johansson, working for SÄPO as an expert on fringe groups, who was asked why the SÄPO had done nothing to stop the EAP. He answered that there had been no reason, since the SÄPO had found the situation concerning the EAP to be under control.

May: Noted Swiss pathologist Dr. Hans Brandenberger produces tissue samples from Uwe Barschel's body, showing he had been drugged prior to his death.

June 17: German TV-1 reports that some Swedish investigators who wanted to pursue the "right-wing extremist" and "right-wing extremist police" tracks, believe that Swedish Police Chief Holmér covered these up, in order to go after the Kurdish track. This "Kurdish" track supposes that the Iranians hired PKK Kurds to kill Palme, because Palme was moving against Bofors-Iran arms deals.

June 21: Germany's *Der Spiegel* reports that the Schalck-Golodkowski weapons trail leads to Sweden.

July-August: *Worth* magazine publishes an eight-page libel of LaRouche. The financial columnist for the magazine is John Train.

Oct. 5: Various German media break the story of Dr. Brandenberger's report on the drugging of Barschel.

Oct. 13: Bernd Schmidbauer, German Chancellor Helmut Kohl's chief national security aide, tells reporters, "Maybe Barschel was assassinated, after all." He then orders a full review of the Stasi archives for any evidence of East German involvement in the Barschel murder.

Dec. 21: The Barschel case is officially reopened by the Schleswig-Holstein state court in Lübeck. Prosecutor Heinrich Wille is appointed to head the investigation. Wille is the only person who did not accept the official finding that Barschel's death was a "suicide." Six days later, the investigation is expanded to include the May 1987 plane crash that almost killed Barschel.

Dec. 24: The *Frankfurter Allgemeine Zeitung* reports a possible "arms cartel" link to the Barschel case. A former Stasi officer's report to West German security agencies says that voluminous arms and technology deals went on with the help of Schalck-Golodkowski and West German enterprises, "potentially including reputable firms in Schleswig-Holstein." It says that on the day he died, Barschel may have met with "arms dealers with Iranian backgrounds." It also cites a telegram attributed to a CIA officer, reporting a meeting attended by five persons on the evening of Oct. 10, 1987. One attendee who "was given the codename of 'Perch,' is said to have categorically rejected any cooperation." ("Perch" is the English word for "Barsch," as in Barschel.)

Dec. 26: Germany's *Bild Zeitung* elaborates the Barschel-Iran story, in an article, "Barschel: CIA Agents Were Hanging Around at the Death Hotel." Two days later, the paper reports that the details on Barschel's Geneva meetings the day of his

death were given by the German federal intelligence service BND to judges in Lübeck in 1992.

1995

Jan. 8: Klaus Klinger, the justice minister of Schleswig-Holstein, reports in an interview on German radio, that at least 200 pages of Stasi files relating to the Barschel case have been shredded by West German counterespionage agents.

Oct. 5: Following Israeli Prime Minister Rabin's trip to the United States, where he came into conflict with the ADL and others, the Israeli daily *Yediot Aharonot* runs a story: "Rabin Against the Jews." Over the month, other papers in the United States and Israel print ever shriller denunciations of Rabin, one even calling him a traitor.

Oct. 10: *Aftonbladet* reports that Palme's private telephone was tapped. It reveals a secret memo, delivered to the Palme Commission on July 14, written by an "expert on military intelligence," claiming that Palme and Emma Rothschild spoke to each other on the day of the murder. "Rothschild was informed where the Palmes intended to go" that evening.

Oct. 18: *Süddeutsche Zeitung* reports that Schalck-Golodkowski has just headed a 14-person "trade" delegation to China.

Oct. 20: NATO Secretary General Willy Claes resigns, allegedly over the Agusta helicopter scandal in Belgium, tied to the Socialist Party.

Nov. 4: Israeli Prime Minister Yitzhak Rabin is assassinated in Tel Aviv.

Nov. 5: Swedish TV-3 airs a program on the Palme assassination, asking whether any foreign intelligence service would have benefitted from the death of Palme. The Mossad, CIA, and KGB all deny it. The conclusion of the show, is that the murder was done by a "clumsy amateur."

Nov. 7: Sweden's Prime Minister Ingvar Carlsson issues a statement on the Rabin assassination, in which he refers to the climate of hate, and identifies the EAP as part of the climate of hate directed at Palme.

Nov. 9: *Aftonbladet* covers Carlsson's statement on the Rabin assassination, and his reference to the EAP.

Nov. 10: LaRouche sends demand for retraction to *Afton-*

bladet. He writes that publishing the Carlsson statement was irresponsible in light of the well-known fact that "Warsaw Pact intelligence services linked to Boris Pankin concocted a scheme . . . through a relevant unit" of the Stasi to fraudulently "implicate" him in the Palme assassination. LaRouche says that Carlsson's statement "pollute[s] the memory of the martyred statesman, Yitzhak Rabin."

1996

March 11: *Svenska Dagbladet* reports that a documentary on the Palme murder was censored. "At the last minute, French sources demanded that the interview with Carl Lidbom, who, at the time of the Palme murder, was Swedish ambassador to Paris, had to be cut out. It was said that this happened after pressure from Swedish sources. According to the German producer, the part of the film which was cut out contained information about what Lidbom and Holmér had been doing the night that the murder took place."

Aug. 17: Belgian police rescue two young girls being held captive by pedophile Marc Dutroux. Within weeks, over 30 arrests, including of senior police and judicial authorities, are made, and a direct link is uncovered between the Dutroux case and the 1991 murder of André Cools.

Aug. 18: The *San Jose Mercury News* in California begins a series on the links between the Contras and the crack cocaine epidemic in the United States, triggering an uproar initially aimed at the CIA, but increasingly directed at George Bush and his secret government.

Sept. 8: Former president of the Gothenburg Court of Appeals, Erik Holmberg, calls for a serious investigation into the "Stay-Behind-Movement" ("Gladio") for its possible involvement in the Palme assassination. Holmberg writes an article, "Hope for an Honest Analysis of the Palme Murder," published in *Svenska Dagbladet*, in which he claims that the chief of the Swedish National Police in 1986, Holger Romander, had planned to investigate it back in August 1986.

Sept. 26: Former South African intelligence operative Eugene de Kock, during his trial, links Craig Williamson, a former spy for the South African services, to the killing of Palme. De Kock says that the assassination was part of a Williamson project called "Operation Long Reach."

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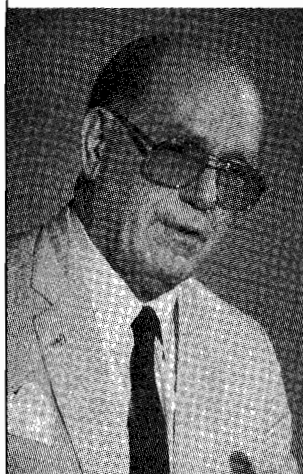
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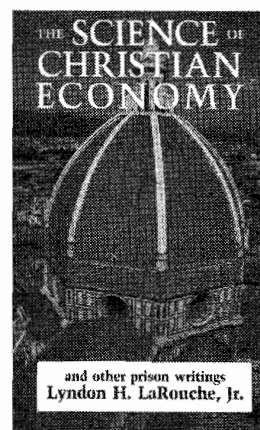
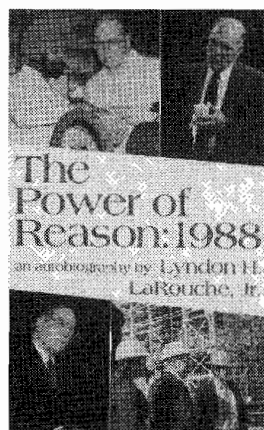
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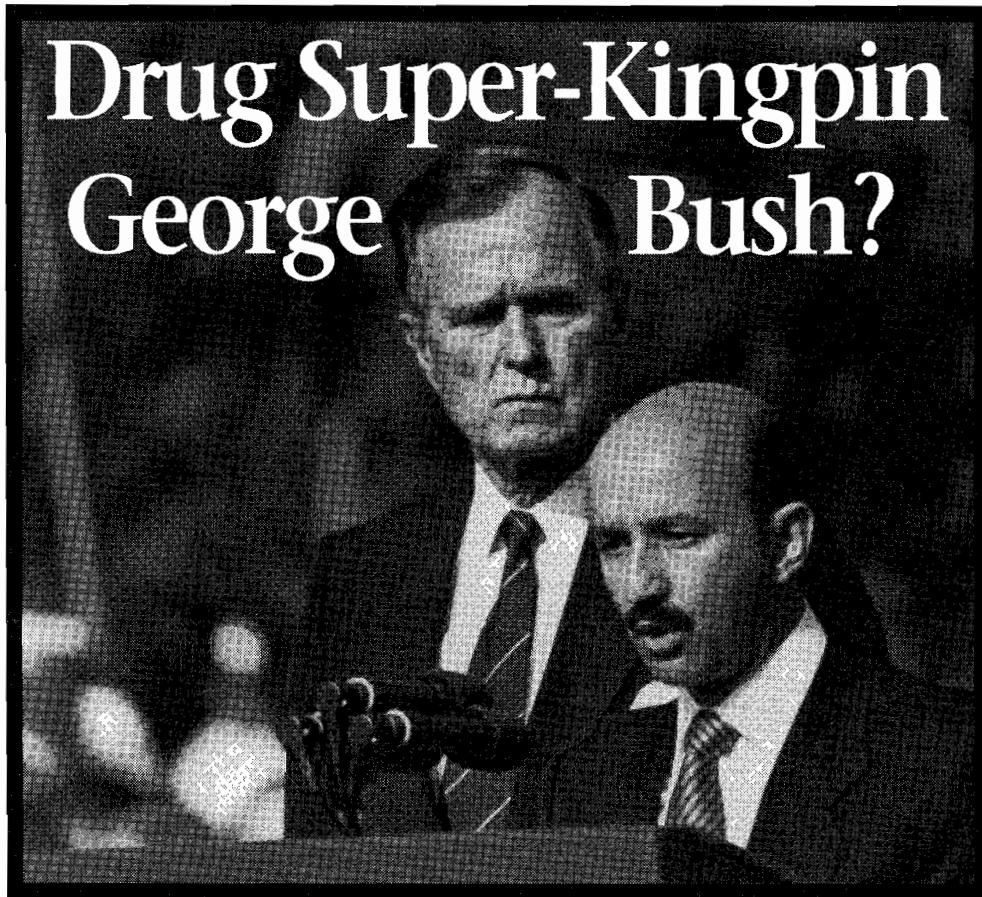
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